



October 15, 2018

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Plot No.C/1,
G-Block, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051

BSE Limited
Department of Corporate Services- Listing
P J Towers
Dalal Street
Mumbai – 400 001

Trading Symbol: **TV18BRDCST**

SCRIP CODE: **532800**

Sub.: Investors' Update - Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2018

Dear Sir,

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.

You are requested to take the same on record.

Yours faithfully,
For **TV18 Broadcast Limited**

Deepak Gupta
Company Secretary

Encl. As Above

TV18 Broadcast Limited
(CIN – L74300MH2005PLC281753)

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A listed subsidiary of Network18

EARNINGS RELEASE: Q2 2018-19

Mumbai, 15th October, 2018 – TV18 Broadcast Limited today announced its results for the quarter ended 30th September 2018.

Summary Consolidated Financials

(restated for current structure of ownership)	Q2FY19	Q2FY18	Growth
Consolidated Operating Revenue (Rs Cr)	1,198	1,084	11%
Consolidated Operating EBITDA (Rs Cr)	108	76	42%

TV18 reported a 42% jump in operating EBITDA to Rs. 108 crores in Q2FY19, driven by improved performance of regional channels (both news and entertainment); despite gestation losses of Colors Tamil and new launch Colors Kannada Cinema. While headline operating revenue grew 11% (on a comparable basis), revenue ex-movies grew 17% YoY, underscoring tailwinds in broadcasting.

Highlights for the quarter

- **The industry ad-environment has substantially improved compared with the previous year**, though certain pockets of the market (mobiles, auto, colas, etc) are yet to resume advertising full-throttle. Broad-based growth in regional markets and upcoming festive season are positives.
- **TV18 posted 17% revenue growth ex-movies on a comparable basis:**
 - Advertising revenue for TV18 grew at ~18% YoY overall. Regional channels across news and entertainment drove viewership growth and ad-revenues for the portfolio, reducing our dependence on national channels.
 - Subscription revenue for our entire bouquet grew 16% YoY. We are in negotiations with two of India's leading DTH players for long-term deals on terms commensurate with the strength of our channel bouquet.
- **TV18's News bouquet (20 channels) is #1; News viewership share rose to 10.7%:**
 - The viewership share of our regional news cluster has risen further to 5.7%, vs sub-2% two years ago.
 - Hindi News channel News18 India broke into the top two in urban HSM, driving revenues in tandem. Business news channels showed commendable growth amidst choppy markets.
 - Marketing campaigns around raising the profile of news channels and driving the "News18" brand were undertaken, which have continued to push viewership and mind-share.

Regional News losses have shrunk sharply: Government/election-related ad-spends rose, substantially reducing the gestation losses of our multiple channels launched over FY15-17. The regional news + infotainment cluster slashed its operating losses by 70% YoY to Rs (8) Cr.

- **Viacom18 bouquet's (31 channels) share of entertainment viewership at 11.1%:**
 - TV18's entertainment bouquet revenue ex-movies grew 13% YoY.
 - Regional entertainment channels have grown their viewership and monetization substantially across all our geographies.

- FTA channels like Rishtey Cineplex & MTV Beats continued their strong performance in a fast-growing segment.
- Colors Kannada Cinema was launched in the last week of the quarter. The channel aims to solidify our existing leadership in the Kannada market, and already has an existing library to bank upon.

Business-as-usual margins continued to rise: A shift of some high-impact non-fiction programming towards the festive season in H2 was implemented to improve monetization, which impacted topline growth in Q2 but improved margins. Entertainment EBITDA includes operating loss of Rs 25 Cr on account of new initiatives - Colors Tamil (launched in mid-Q4FY18) and Colors Kannada Cinema (launched recently). Adjusting for operating losses of new initiatives (i.e. launches made over past 4 quarters), BAU margins for Entertainment grew to 12.1% from 8.9% in Q2FY18.

Mr. Adil Zainulbhai, Chairman of Network18, said: “TV18’s investments into regional have served to diversify our portfolio and reduce dependence on national markets. Our rising viewership in regional channels across both news and entertainment has been the primary driver this quarter. We shall continue to invest in the broadcasting space to capture growth opportunities.”

Financials for the quarter

TV18 Consolidated - restated for current structure of ownership

OPERATING REVENUES (Rs Cr)	Q2FY19	Q2FY18	Growth
A) Business + General News (TV18 standalone)	200	159	26%
B) Regional News (ex IBN-Lokmat) + Infotainment	95	70	36%
C) Entertainment (Viacom18+Indiacast)	903	855	6%
D) TV18 Consolidated	1,198	1,084	11%
includes: Subscription	347	300	16%

OPERATING EBITDA (Rs Cr)	Q2FY19	Q2FY18	Growth
A) Business + General News (TV18 standalone)	31	28	10%
B) Regional News (ex IBN-Lokmat) + Infotainment	-8	-28	NM
C) Entertainment (Viacom18+Indiacast)	85	76	12%
D) TV18 Consolidated	108	76	42%

- In Q2FY19, the movie production/distribution revenue was Rs 43 Cr, vs Rs 94 Cr in Q2FY18

* Viacom18 and Indiacast became subsidiaries of TV18 from 28th February 2018. Hence, reported financials of TV18 consolidate these entities only from 1st March 2018. The above representation assumes their consolidation throughout, for comparability purposes; and hence will not match reported financials. IBN Lokmat being a 50:50 JV is not consolidated under Ind-AS accounting.

Business Performance

TV18 owns and operates the largest network of channels – 54 in India spanning news and entertainment. We also cater to the Indian diaspora globally through 16 international channels.

○ News – National & Regional

- **TV18 News bouquet's overall viewership grew to 10.7%** of the news universe, maintaining its #1 position. The bouquet has the largest number of news channels in India, and it reaches an industry-leading 670 mn people.
- **CNBC TV18 maintained #1 rank** in the English Business News genre with 68% market share in Q2 FY19. During market hours (Weekdays, 8 AM to 4 PM) CNBC TV18 maintained an even higher share of 77% and was #1 in the genre.
- **CNBC Awaaz continued its leadership** in the Hindi Business News genre with 61% market share.
- **CNN News18 garnered 13% Market share** in All India & rose to #3. English News genre continues to face headwinds.
- **News18 India** was amongst the top 4 Hindi News Channels in HSM in Q2 FY19 with 12.5% market share, within a highly competitive and cluttered genre. In HSM in Evening Prime Time, it was a strong #3 player with a share of 14.5%. **The fast-growing channel is now the #2 player in HSM Mega Cities**, with a share of 16.7%.
- Our Regional News cluster has the **highest reach and viewership in the country**; with 479 Mn audiences tuning into the network and viewership share climbed to **5.7% of all news**. News18 Rajasthan continues to be the leader #1 in the genre, with more than 70% market share.
- TV18 launched CNBC TV18.com; the digital counterpart of its flagship business news brand CNBC-TV18 on 6th 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

- Flagship Colors was #2 pay-GEC in Urban HSM. **During the quarter, the channel had ~18% viewership share in urban pay GECs**. Viewership across all GECs in Urban+Rural rose to 9.5%. 'Naagin Season 3' continues to be the #1 fiction show across Hindi GECs. 'Dance Deewane' is the #1 non-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 9.1% 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 17.2% share of viewership. **Between Nick, Sonic and Nick Jr, our Kids portfolio commanded a 27.7% market-share.** Nick and Sonic School Contact programs reached to 650 schools across 20 cities to drive engagement
- **In English entertainment genre, Viacom18 channels continue to occupy the top three positions,** with their combined viewership shares at 58%. Comedy Central and VH1 rank #1 (23%) and #2 (20%) respectively; while Colors Infinity has a ~15% share to rank #3.
- **MTV was the #1 youth channel among peers,** with 31% viewership share. Splitsvilla 11 was launched in Aug'18 with highest launch viewership till date.
- **MTV Beats** maintained its viewership share at 14% in a crowded category. Its steep growth has driven the channel to **break-even within 2 years of launch.**
- VOOT, Viacom18's Over The Top (OTT) exclusive digital video destination has seen gross downloads rise to ~100mn, with an **average daily viewership of 40+ minutes that is the highest amongst broadcaster-OTTs.** It is the first premium OTT player in APAC to go live on Watch Actions on Google Search.
- **Colors Kannada maintained its strong #1 position** in Kannada regional entertainment with a 31% viewership share. Colors Super (2nd Kannada GEC, launched in July 2016) continued its strong showing with 8% viewership share, taking the Viacom18 portfolio's genre share to a dominant ~39%. Colors Kannada Cinema was launched in the last week of the quarter to solidify our existing leadership, and already has an existing library to bank upon.
- Colors Marathi is a consistent #2 in the genre, with viewership share of 19.6%.
- Colors Bangla is the fastest growing Bengali GEC, maintaining its #3 spot.
- **Colors Tamil aims to ramp up programming** during the year, as it overcomes distribution challenges which have kept its viewership share <5%. From 1st Nov '18, BARC will stop measuring analog TV homes in TN/Pondicherry market.
- Viacom18 Motion Pictures successfully released Devadas (Telugu), thereby spreading its footprint into the southern market. It also successfully distributed Paramount Studio production Mission Impossible 6 (English).
- **Infotainment – Factual entertainment & Lifestyle**
 - History TV18 had a market share of 20% 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 27%.
 - FYI TV18 ranked #1 channel in the Lifestyle genre, taking 37% 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.

TV18 Broadcast Limited

Reported Standalone Financial Performance for the Quarter ended 30th September 2018

(₹ in crore)

	Particulars	Quarter ended			Half Year ended		Year ended (Audited)
		30 th Sep'18	30 th Jun'18	30 th Sep'17	30 th Sep'18	30 th Sep'17	31 st Mar'18
1	Income						
	Value of sales and services	234	203	187	437	339	835
	Goods and Services Tax included in above	34	30	28	64	28	100
	Revenue from operations	200	173	159	373	311	735
	Other income	2	1	7	2	14	30
	Total Income	202	174	166	375	325	765
2	Expenses						
	Operational costs	47	31	27	77	49	134
	Marketing, distribution and promotional expense	27	25	19	52	40	94
	Employee benefits expense	64	66	62	130	120	236
	Finance costs	11	7	4	18	7	19
	Depreciation and amortisation expense	5	5	4	10	9	19
	Other expenses	31	26	23	57	51	115
	Total Expenses	185	160	139	344	276	617
3	Profit before tax (1 - 2)	17	14	27	31	49	148
4	Tax Expense						
	Current tax	6	5	8	11	16	52
5	Profit for the period (3 - 4)	11	9	19	20	33	96
6	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss	(2)	2	1	0	(2)	(1)
7	Total Comprehensive Income for the period (5+6)	9	11	20	20	31	95

TV18 Broadcast Limited

Reported Consolidated Financial Performance for the Quarter ended 30th September, 2018

(₹ in crore)

Particulars	Quarter ended			Half year ended		Year ended (Audited)
	30 th Sep'18	30 th Jun'18	30 th Sep'17	30 th Sep'18	30 th Sep'17	31 st Mar'18
1 Income						
Value of sales and services	1,389	1,264	267	2,653	486	1,665
Goods and Services Tax included in above	191	176	40	367	40	190
Revenue from operations	1,198	1,088	227	2,286	446	1,475
Other income	3	8	7	11	15	29
Total Income	1,201	1,096	234	2,297	461	1,504
2 Expenses						
Operational costs	551	511	42	1,062	81	493
Marketing, distribution and promotional expense	192	184	45	376	96	282
Employee benefits expense	239	240	99	479	194	429
Finance costs	23	18	5	41	9	27
Depreciation and amortisation expense	33	33	15	66	30	69
Other expenses	108	114	41	222	89	213
Total Expenses	1,146	1,100	247	2,246	499	1,513
3 Profit/ (loss) before share of profit of associate and joint ventures, exceptional items and tax (1 - 2)	55	(4)	(13)	51	(38)	(9)
Share of profit of associate and joint ventures	8	7	26	15	45	69
5 Profit/ (loss) before exceptional items and tax (3 + 4)	63	3	13	66	7	60
6 Exceptional items	-	-	-	-	-	-
7 Profit/ (loss) before Tax (5 - 6)	63	3	13	66	7	60
8 Tax expense						
Current tax	23	11	9	34	16	53
Deferred tax	-	(1)	(3)	(1)	(2)	(1)
Total tax expense	23	10	6	33	14	52
9 Profit/ (loss) for the period (7 - 8)	40	(7)	7	33	(7)	8
10 Other Comprehensive Income						
(i) Items that will not be reclassified to profit or loss	(1)	1	1	-	(3)	0
(ii) Income tax relating to items that will not be reclassified to profit or loss	0	0	0	0	0	(0)
(iii) Items that will be reclassified to profit or loss	20	19	4	39	3	1
Total Other Comprehensive Income	19	20	5	39	0	1
11 Total Comprehensive Income for the period (9 + 10)	59	13	12	72	(7)	9
Profit/ (loss) for the period attributable to:						
(a) Owners of the Company	16	(12)	7	4	(5)	9
(b) Non-controlling interest	24	5	(0)	29	(2)	(1)
Other comprehensive income attributable to:						
(a) Owners of the Company	19	20	5	39	0	1
(b) Non-controlling interest	(0)	(0)	0	(0)	(0)	(0)
Total comprehensive income attributable to:						
(a) Owners of the Company	35	8	12	43	(5)	10
(b) Non-controlling interest	24	5	0	29	(2)	(1)

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 FY19.

For further information on business and operations, please contact:

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TV18 Broadcast Limited

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

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