



NDTV Financial Results: Q2, FY 08- 09

- The Company has earned consolidated revenues of Rs. 128 crores during the quarter compared to Rs. 77.50 crores during the same quarter in the previous year, a growth of 65% YoY.
- On account of entertainment side of business being in its early growth phase, the Company has incurred a net loss of Rs.119 crores (last year's figures are not comparable).
- NDTV remains perhaps the only television media company which has a cash balance of Rs.660 crores in the holding company NDTV Ltd. available for expansion and development
- The Company announces a major rationalization of costs
- After the de-merger of the business, every share of Rs. 4 face value held in NDTV Ltd by the shareholder will be replaced by one Rs 4 face value share in the News Company and one Rs. 4 face value share in Entertainment.

SIGNIFICANT DEVELOPMENTS

The Board has decided to split NDTV into two groups of companies: one group of companies will carry out 'News and other businesses' and the other group of companies will carry out 'Entertainment and specified allied businesses'.

The demerger will allow shareholders increased choice and flexibility to own either of these businesses or both.

More importantly, no regulatory restrictions on FII/ FDI investment in the entertainment media will enable the Company to bring in strategic partners for businesses in any/all the non-news businesses.

BUSINESS OUTLOOK

NEWS

We believe in the current market scenario staying out of debt and having adequate cash reserves is critical. The Company currently has Rs. 660 cr of cash in its books to meet any business expense requirements.

In an increasingly competitive environment, NDTV has maintained leadership in English News and grown in revenue. **NDTV 24X7 and Metronation** Delhi continues to enjoy leadership in their respective genres. **NDTV Profit** maintained its market share, despite more competition in the segment.

We expect some amount of consolidation going forward in the News coupled with a slowdown in advertisement revenue growth linked to the macro environment. The

Company has embarked on a cost cutting and rationalization exercise in its news operations.

ENTERTAINMENT, LIFESTYLE AND ALLIED BUSINESSES

There is considerable churning in the GEC space in the channel positions changing rapidly. The traditional leaders have witnessed a significant drop in ratings. Consequently, the market is now shifting from the earlier structure of a dominant player with a distinctly high rating to many players having ratings in the similar broad range.

During this period, **NDTV Imagine** (the General Entertainment Channel) has successfully retained its ratings level and is now poised to capture higher share through programming combination of highly watchable daily soaps and a big-ticket celebrity show.

A Bollywood focused channel, **NDTV Showbiz**, was successfully launched during August. NDTV Imagine Films is in the process of developing and producing various scripts. NBCU films division is a potential partner for this venture going forward.

In the lifestyle genre, **NDTV Good Times** continues to retain its #1 position. The channel has entered into and continues to further explore international syndication and distribution deals. Its also looking to cement a strategic partnership in the near future.

Page views of the ndtv properties continue to grow as **NDTV Convergence** transforms the ndtv portal into the #1 content site. NDTV Convergence operates India's first full service WAP portal. The Company is exploring various tie-up possibilities to expand its range of services.

NGEN Media Services, the MPO joint venture has started to witness a shift with potential clients moving from the pilot stage to becoming full-fledged paying customers. Highly successful relationships with two large international players have translated into full-fledged revenue generating contracts. Talks to expand the scope of work are on-going. NGEN currently has a strenght of ~70 people, and is working on a range of projects: transcription production, creating master files (including sub-titling), end-to-end graphics work for web-sites, and post-production.

Update on the **Emerging Markets** business includes - the resounding success of Awani channel in Malaysia. Awani's Malaysian general elections' coverage was recognized, across the local media as the most credible, in-depth, analytical election coverage ever shown in Malaysia. Consequently, Awani has built a formidable reputation for itself in Malaysia.

NDTV Arabia is now amongst the most widely distributed Indian channels in the Middle East and North Africa region, and is available across ~90% of the Pay TV platforms in the region.

About NDTV

NDTV Ltd, founded in 1988, is India's largest news and infotainment network. It is home to the country's best and brightest reporters, anchors, camerapersons and producers; 23 offices and studios across the country host India's most modern and sophisticated production, newsgathering and archiving facilities. NDTV has an unmatched track record of launching the most successful news channels in India and three abroad: Its flagship channel NDTV 24x7 is a clear leader in the English news segment, NDTV Profit, a 24-hour business plus channel, is India's leading

business news channel, and NDTV India is amongst the country's most credible Hindi news channels. NDTV is credited with pioneering several broadcasting and programming initiatives in Indian television setting award winning benchmarks in reporting and production. The group has now expanded into one of the nation's biggest broadcasting houses by growing beyond news into Entertainment and Lifestyle Broadcasting, Media Process Outsourcing and Convergence.

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