

February 19, 2020

National Stock Exchange of India Limited,
Listing Department,
Exchange Plaza, Plot No. C/1,
G-Block, Bandra-Kurla Complex,
Bandra (E), Mumbai-400051

Trading Symbol : **NETWORK18**

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

SCRIP CODE: **532798**

Sub: Investor Presentation on Composite Scheme of Amalgamation and Arrangement

Dear Sirs,

We enclose herewith Investor Presentation being released by the Company on the captioned Scheme.

You are requested to take the same on record.

Thanking You,

For Network18 Media & Investments Limited



(Ratnesh Rukhariyar)
Company Secretary

Encl.: As above

Network18 Media & Investments Limited

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Investor Presentation

Creating a Diversified Media and Distribution
Powerhouse

Synopsis of transaction

Merging of RIL's media & distribution businesses into Network18

- Listed entities TV18, Den and Hathway to be merged into Network18
- Network18 shares to be issued to shareholders of all of the above in swap-ratio as determined by valuers

Ring-fencing of businesses by placing in wholly owned subsidiaries (WOS)

- Cable Distribution, Internet Service Provider (ISP) and Digital businesses and investments to be placed under separate WOS's of Network18 – Cable Co, ISP Co & Digital Co

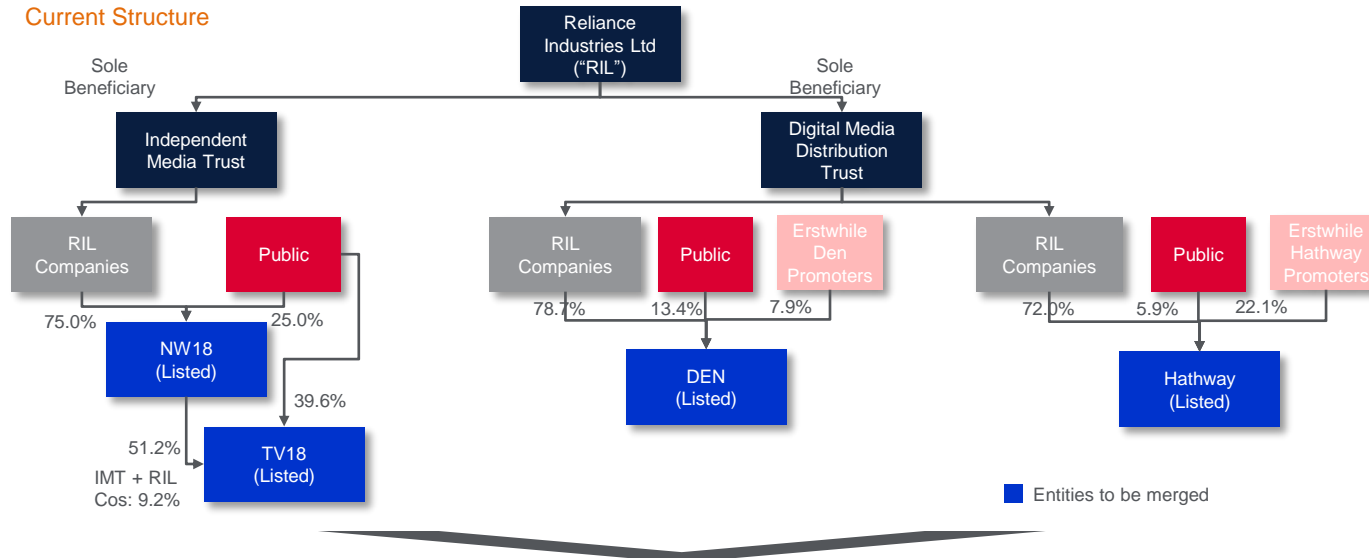
Resultant: Diversified business, with better visibility and control

- Network18 standalone = News Broadcasting business of TV18
- Cable Co = Combined Cable business of Den and Hathway + stake in GTPL
- ISP Co = Combined ISP business of Den and Hathway
- Digital Co = Digital News business (New18.com, FirstPost, MoneyControl)

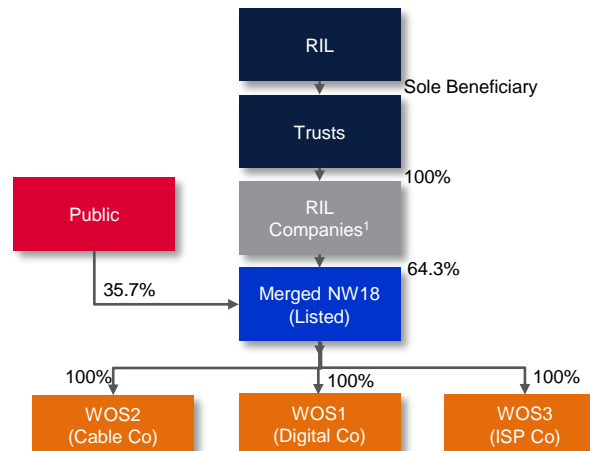
Flagship Media & Distribution entity of Reliance group

Simplification of the listed media & distribution businesses of the group

Current Structure



Structure Post Merger



- Swap ratio for merger
 - 191 shares of NW18 for every 100 shares of DEN
 - 78 shares of NW18 for every 100 shares of Hathway
 - 92 shares of NW18 for every 100 shares of TV18

Strategic Rationale

- Creates one of India's Largest Listed Media & Distribution Companies
 - ~ Rs 8,000 Cr annual revenue
 - ~ Rs 12,000 Cr market-cap (current price x no. of shares post merger)
- Combined group will be a major player across TV and Digital value chain
 - ~13% of TV market, both by viewership and pay-TV subscribers
 - India's largest News network and #3 Entertainment broadcaster
 - #1 cable distributor with 27 mn connected homes across the country
 - 6.7% share of wireline subscribers in India
 - Enhanced scale to benefit all businesses
- Retain a higher share of the consumer spend on TV content within group
- Simplifies structure of Network18, and reduces number of listed entities

Unique combination of content & distribution across linear and digital

Financial Rationale

- Balanced mix of annuity (~53% subscription) and seasonal (advertising and others) revenue
- Reduced volatility of profitability and future levers of growth
- Capital structure to improve - Combined company to be Net Debt free
- Cost synergies from removal of overheads

Net debt free company with strong financials

Proforma Financial Summary - Profitable and Net-Debt free

	Network 18 ⁽¹⁾		TV18		DEN		hathway		Merged NW18	
Business Mix (9MFY20)										
Key Financial Metrics (INR crores unless specified)	Parameter	9MFY20⁽¹⁾	Parameter	9MFY20	Parameter	9MFY20	Parameter	9MFY20	Parameter	9MFY20
	Revenue	143	Revenue	3,750	Revenue	964	Revenue	1,343	Revenue	6,014
	% growth	15.3%	% growth	(0.3%)	% growth	3.4%	% growth	10.6%	% growth	(0.3%)
	EBITDA	(73)	EBITDA	464	EBITDA	148	EBITDA	315	EBITDA	855
	% margin	n.m.	% margin	12.4%	% margin	15.3%	% margin	23.5%	% margin	14.2%
	PAT	(279)	PAT	275	PAT	36	PAT	56	PAT	88
	Gross Debt	1,460 ⁽²⁾	Gross Debt	2,103	Gross Debt	208	Gross Debt	2,048	Gross Debt	5,817
	Cash	93	Cash	210	Cash	2,237	Cash	3,309	Cash	5,756
	Net Debt	1,367	Net Debt	1,891	Net Debt	(2,029)	Net Debt	(1,261)	Net Debt	60

Note: Cash includes Investments and Bank balances along with cash & cash equivalents (1) NW18 calculated as NW18 consolidated excluding TV18 consolidated (2) Excludes Interco debt from TV18

Reorganization to Benefit Shareholders of All Merging Entities

CONTENT ENTITIES

Network **18** **TV 18**

- Much-improved profitability for Network18 and TV18 shareholders
- Access to steady cash generation businesses; likely to re-rate multiple
- Streamlining of two layer ListCo structure, thereby eliminating HoldCo discount
- Net-debt free profile on a consolidated basis to boost ROE and allow for future growth

DISTRIBUTION ENTITIES

DEN ***hathw@y***

- Integration with media, and growth from channel pricing by broadcaster
- Scale benefits and cost synergies to aid growth
- Exposure to digital content consumption growth

COMMON BENEFITS

- Leading market positions across multiple industry segments
- Enhanced liquidity of merged Network18 (~64.3% promoter holding)
- Increase in equity market following due to ~Rs 12,000 Cr market cap

Current shareholding pattern

Particulars	Network18		TV18		DEN		Hathway	
	Nos in Cr	%	Nos in Cr	%	Nos in Cr	%	Nos in cr	%
RIL shareholding	78.52	75.0%	15.83	9.2%	37.45	78.5%	127.37	72.0%
Network18 shareholding	-	-	87.72	51.2%	0.07	0.1%	-	-
Den erstwhile promoters	-	-	-	-	3.78	7.9%	-	-
Hathway erstwhile promoters	-	-	-	-	-	-	39.19	22.1%
Total Promoter & Promoter Group	78.52	75.0%	103.55	60.4%	41.29	86.5%	166.56	94.1%
Public shareholders	26.17	25.0%	67.88	39.6%	6.43	13.5%	10.45	5.9%
Total	104.69	100.0%	171.44	100.0%	47.72	100.0%	177.01	100.0%

Post scheme shareholding pattern of Network18 ⁽¹⁾

Particulars	Network18	
	Nos in cr	%
RIL shareholding	263.96	64.3%
Promoter & promoter group	263.96	64.3%
DEN erstwhile promoters	7.22	1.8%
Hathway erstwhile promoters	30.57	7.4%
Other public shareholders	108.96	26.5%
Public shareholders	146.75	35.7%
TOTAL	410.71	100.0%

Note 1: Based on the share swap ratio

Note 2: The erstwhile promoters of DEN and Hathway would be categorized as public shareholders with no special rights.

Approvals required; Advisors to the transaction, and Timelines

Approvals Required

- SEBI and Stock Exchanges
- Shareholders and Creditors' of all merging entities
- Company law regulatory authorities and Income Tax Dept
- NCLT Mumbai
- Approval of the DoT⁽¹⁾

Transaction Partners

- Lawyer: Trilegal
- Valuer: BDO Valuation advisory LLP (Registered Valuer) and MSKA & Associates (Chartered Accountants)
- Fairness Opinion: Citigroup Global Markets India Pvt Ltd (for Network18) and ICICI Securities (for TV18, Den and Hathway)

Appointed Date

- Appointed date for Merger: February 1st, 2020

Scheme, subject to receipt of all approvals, is expected to be consummated by Q2FY21

Note: (1) Required for transfer of ISP license (DEN) and Unified License – ISP (Hathway).

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