

INVESTOR UPDATE



ENTERTAINMENT NETWORK (INDIA) LTD.



PERFORMANCE REVIEW: Q2 FY18

November 2, 2017

Presentation Path

- ❖ Financial Review
- ❖ Business Review
- ❖ Strategic Direction
- ❖ Investors Contact

Financial Review

Condensed Statement Of Operations

Standalone

| Rs. In Million | Q2 FY18 | %age of Total Income | Q2 FY17 | %age of Total Income | Growth (%) |
|-----------------------------------|----------------|----------------------|----------------|----------------------|----------------|
| Income from Operations | 1,249.4 | 99.4% | 1,280.8 | 98.8% | (2.5%) |
| Other Operating Income | 8.0 | 0.6% | 15.7 | 1.2% | (49.0%) |
| Total Income | 1,257.4 | 100.0% | 1,296.5 | 100.0% | (3.0%) |
| Operating Expenditure | 973.3 | 77.4% | 1,065.2 | 82.2% | (8.6%) |
| EBITDA | 284.1 | 22.6% | 231.3 | 17.8% | 22.8% |
| Depreciation | 37.7 | 3.0% | 29.0 | 2.2% | 30.0% |
| Amortisation | 121.1 | 9.6% | 110.8 | 8.5% | 9.3% |
| EBIT | 125.3 | 10.0% | 91.5 | 7.1% | 36.9% |
| Other Income | 21.2 | 1.7% | 50.7 | 3.9% | (58.2%) |
| Finance Cost | (12.5) | (1.0%) | (28.6) | (2.2%) | (56.3%) |
| Profit Before Tax (PBT) | 134.0 | 10.7% | 113.6 | 8.8% | 18.0% |
| Taxation | 74.5 | 5.9% | 34.7 | 2.7% | 114.7% |
| Profit After Tax (PAT) | 59.5 | 4.7% | 78.9 | 6.1% | (24.6%) |
| Other Comprehensive Income (net) | (0.3) | (0.0%) | (5.3) | (0.4%) | (94.3%) |
| Total Comprehensive Income | 59.2 | 4.7% | 73.6 | 5.7% | (19.6%) |

Financial Performance Q2FY18

(All comparisons with corresponding period of previous year)

- GST and RERA related disruptions impact advertising revenues
- Legacy stations reported de-growth of 10%
- Company followed its long term strategy of inventory ad cap to improve listenership experience
- Revenue from new stations is Rs.141.6 million. EBITDA loss in new stations was lower than Q2FY17 by 82% at Rs.17.6 million
- Total ER up by 5.8% for like-to-like stations, CU at 87.1% (basis 13 min. per hour and 17 hours a day)
- Tax expense of Rs.74.5 million includes one time deferred tax charge of Rs. 27.8 million for earlier year
- Normalized PAT (without one time deferred tax charge) grew by 10.6%
- Net debt as on September 30, 2017 was Rs.243 million

Condensed Statement Of Operations

Standalone

| Rs. In Million | H1 FY18 | %age of Total Income | H1 FY17 | %age of Total Income | Growth (%) |
|---|----------------|-------------------------|----------------|-------------------------|----------------|
| Income from Operations | 2,236.0 | 97.2% | 2,371.8 | 98.7% | (5.7%) |
| Other Operating Income | 64.9 | 2.8% | 32.3 | 1.3% | 100.9% |
| Total Income | 2,300.9 | 100.0% | 2,404.1 | 100.0% | (4.3%) |
| Operating Expenditure | 1,849.9 | 80.4% | 1,878.4 | 78.1% | (1.5%) |
| EBITDA | 451.0 | 19.6% | 525.7 | 21.9% | (14.2%) |
| Depreciation | 74.4 | 3.2% | 50.6 | 2.1% | 47.0% |
| Amortisation | 240.7 | 10.5% | 173.9 | 7.2% | 38.4% |
| EBIT | 135.9 | 5.9% | 301.2 | 12.5% | (54.9%) |
| Other Income | 48.3 | 2.1% | 99.3 | 4.1% | (51.4%) |
| Finance Cost | (24.9) | (1.1%) | (44.1) | (1.8%) | (43.5%) |
| Profit Before Tax and Exceptional Item | 159.3 | 6.9% | 356.4 | 14.8% | (55.3%) |
| Exceptional Item | 42.4 | 1.8% | - | 0.0% | NM |
| Profit Before Tax (PBT) | 201.7 | 8.8% | 356.4 | 14.8% | (43.4%) |
| Taxation | 97.7 | 4.2% | 112.4 | 4.7% | (13.1%) |
| Profit After Tax (PAT) | 104.0 | 4.5% | 244.0 | 10.1% | (57.4%) |
| Other Comprehensive Income (net) | (1.2) | (0.1%) | (5.5) | (0.2%) | (78.2%) |
| Total Comprehensive Income | 102.8 | 4.5% | 238.5 | 9.9% | (56.9%) |

Summarised Balance Sheet

Standalone

| Rs. In Million | As on | | | |
|------------------------------|-----------------|---------------|----------------|---------------|
| | 30-Sep-17 | %age to Total | 31-Mar-17 | %age to Total |
| Shareholders' Funds | | | | |
| Capital | 476.7 | 4.7% | 476.7 | 4.8% |
| Reserves and Surplus | 8,115.4 | 80.8% | 8,070.0 | 81.7% |
| Net Worth | 8,592.1 | 85.5% | 8,546.7 | 86.5% |
| Deferred Tax Liability (net) | 183.7 | 1.8% | 99.1 | 1.0% |
| Commercial Paper | 1,273.9 | 12.7% | 1,231.9 | 12.5% |
| Total | 10,049.7 | 100.0% | 9,877.7 | 100.0% |
| Fixed Assets (Net) | | | | |
| Tangible Asset | 613.8 | 6.1% | 583.5 | 5.9% |
| Intangible Asset | 6,398.8 | 63.6% | 6,551.5 | 66.3% |
| Capital Work in progress | 568.5 | 5.7% | 664.4 | 6.7% |
| Sub-total | 7,581.1 | 75.4% | 7,799.4 | 78.9% |
| Equity in ABSIL | 70.3 | 0.7% | 70.3 | 0.7% |
| Other Long Term Assets (Net) | 349.9 | 3.5% | 204.2 | 2.1% |
| Net Short Term Assets | 1,017.1 | 10.1% | 542.4 | 5.5% |
| Cash & Cash Equivalents | 1,031.3 | 10.3% | 1,261.4 | 12.8% |
| Total | 10,049.7 | 100.0% | 9,877.7 | 100.0% |

Condensed Statement Of Operations

Consolidated

| Rs. In Million | Q2 FY18 | %age of Total Income | Q2 FY17 | %age of Total Income | Growth (%) |
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| Other Operating Income | 8.0 | 0.6% | 15.7 | 1.2% | (49.0%) |
| Total Income | 1,257.4 | 100.0% | 1,296.5 | 100.0% | (3.0%) |
| Operating Expenditure | 973.3 | 77.4% | 1,065.2 | 82.2% | (8.6%) |
| EBITDA | 284.1 | 22.6% | 231.3 | 17.8% | 22.8% |
| Depreciation | 37.7 | 3.0% | 29.0 | 2.2% | 30.0% |
| Amortisation | 121.1 | 9.6% | 110.8 | 8.5% | 9.3% |
| EBIT | 125.3 | 10.0% | 91.5 | 7.1% | 36.9% |
| Other Income | 22.7 | 1.8% | 52.6 | 4.1% | (56.8%) |
| Finance Cost | (12.5) | (1.0%) | (28.6) | (2.2%) | (56.3%) |
| Profit Before Tax (PBT) | 135.5 | 10.8% | 115.5 | 8.9% | 17.3% |
| Taxation | 74.6 | 5.9% | 35.0 | 2.7% | 113.1% |
| Profit After Tax (PAT) | 60.9 | 4.8% | 80.5 | 6.2% | (24.3%) |
| Other Comprehensive Income (net) | (0.3) | (0.0%) | (5.3) | (0.4%) | (94.3%) |
| Total Comprehensive Income | 60.6 | 4.8% | 75.2 | 5.8% | (19.4%) |

Condensed Statement Of Operations

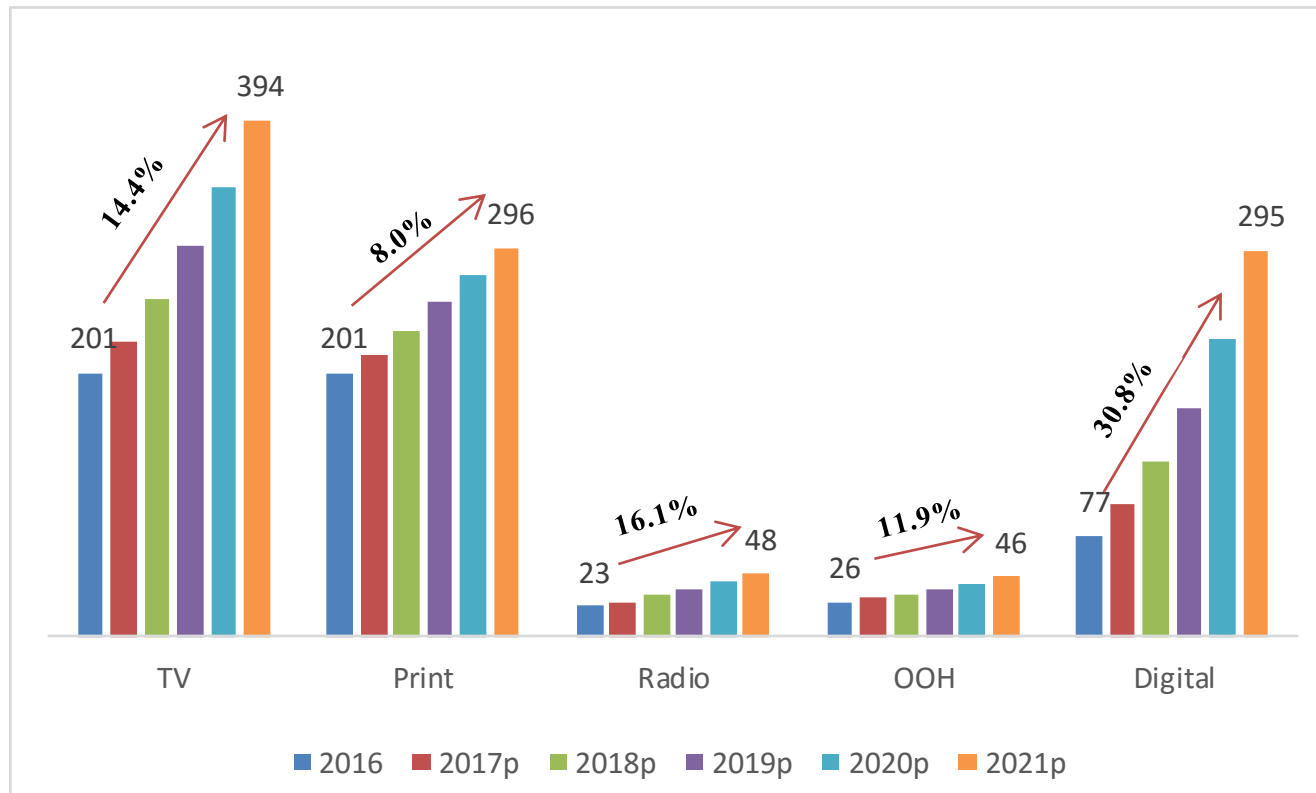
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| Total Income | 2,300.9 | 100.0% | 2,404.1 | 100.0% | (4.3%) |
| Operating Expenditure | 1,850.2 | 80.4% | 1,878.4 | 78.1% | (1.5%) |
| EBITDA | 450.7 | 19.6% | 525.7 | 21.9% | (14.3%) |
| Depreciation | 74.4 | 3.3% | 50.6 | 2.1% | 47.0% |
| Amortisation | 240.7 | 10.5% | 173.9 | 7.2% | 38.4% |
| EBIT | 135.6 | 5.9% | 301.2 | 12.5% | (55.0%) |
| Other Income | 51.5 | 2.2% | 102.9 | 4.3% | (50.0%) |
| Finance Cost | (24.9) | (1.1%) | (44.1) | (1.8%) | (43.5%) |
| Profit Before Tax (PBT) | 162.2 | 7.0% | 360.0 | 15.0% | (54.9%) |
| Exceptional Item | 42.4 | 1.8% | - | 0.0% | NM |
| Profit Before Tax (PBT) | 204.6 | 8.9% | 360.0 | 15.0% | (43.2%) |
| Taxation | 98.0 | 4.3% | 112.9 | 4.7% | (13.2%) |
| Profit After Tax (PAT) | 106.6 | 4.6% | 247.1 | 10.3% | (56.9%) |
| Other Comprehensive Income (net) | (1.2) | (0.1%) | (5.5) | (0.2%) | (78.2%) |
| Total Comprehensive Income | 105.4 | 4.6% | 241.6 | 10.0% | (56.4%) |

Business Review

Radio expected to more than double in 5 years...

INR billion



Source: FICCI-KPMG: Indian Media and Entertainment Industry Report 2017

..led by Phase 3 expansion

Key Operating Highlights

- Launched 2 new channels during the quarter:
 - ✓ Kozhikode – Positioned as Kozhikode’s punchy radio station. Will play a mix of Malayalam and Hindi songs
 - ✓ Jammu – Launched by CM of Jammu & Kashmir. Will play a mix of Hindi and Punjabi songs
- 8th Edition of Mirchi Music Awards (South) was held on September 2, 2017. Radio Mirchi celebrated the best of South Indian music. The show was telecasted on regional TV channels in October 2017.
- Mirchi celebrated Navratri festival through its annual Rock ‘n’ Dhol activity in the cities of Gujarat, Madhya Pradesh and Bihar.
- Radio Mirchi’s Facebook page crossed 3 Million fans
- Mirchi YouTube subscribers crossed 1.1Mn

Strategic Direction

Strategic Direction

- Expand our footprint in radio broadcasting
 - Margin growth in new stations
 - Grow radio listenership
- Position the Company to benefit from the potential presented by the regulatory reforms
- Maintain market leadership in FM radio industry
 - Developing new business streams
- Exploit the new revenue opportunities on digital & other platforms
- Take the Mirchi brand to global markets

Investor Contact

Entertainment Network is committed to improving its performance every fiscal and continuously enhance shareholder value through successful implementation of its growth plans. The Company's investor relations mission is to maintain an ongoing awareness of its performance among shareholders and financial community. This update covers the company's financial performance for Q2FY18

We thank you for your support and welcome your feedback and comments regarding this update and other investor issues

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Disclaimer

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in our business segments, change in governmental policies, political instability, legal restrictions on raising capital, and unauthorized use of our intellectual property and general economic conditions affecting our industry. ENIL may, from time to time, make additional written and oral forward looking statements, including our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

THANK YOU