



# TV Today Network Ltd

## Key Stock Indicators

NSE Ticker:	TVTODAY	CMP (as on 17 Feb 2011—Rs/share):	62.1	Shares outstanding (mn):	57.8
Bloomberg Ticker:	TVTN: IN	52-week range up to 17 Feb 2011 (Rs) (H/L):	121.80/54.30	Free Float (%):	44.1
Face value / Share:	5.0	Market Cap as on 17 Feb 2011 (Rs mn):	3,589	Average daily volumes (12 months):	129,908
Div. Yield (%):	1.2	Enterprise Value as on 17 Feb 2011 (Rs mn):	2,975	Beta (2 year):	1.0

TV Today Network Ltd (TVTN), a Living Media Group company, is India's leading news broadcaster. Living media has interests in magazines, newspapers, books, radio, television, printing and the Internet. TVTN is engaged in news telecast and broadcasting operations. TVTN operates in two segments, TV Broadcasting and Radio Business. TV broadcasting contains Aaj Tak, Headlines Today, Tez and Dilli Aaj Tak that cater to the news and information needs of audiences. Dilli Aaj Tak is catering to news updated specifically to the city of Delhi. Branches of TVTN are located at Bangalore, Ahmedabad, Kolkata, Hyderabad, New Delhi, Chennai, Chandigarh and Mumbai.

## KEY HIGHLIGHTS

### TVTN entered radio network

By amalgamating with Radio Today Broadcasting Limited, TVTN has entered in new business. TVTN has started its FM radio station Oye! 104.8. FM channel is focusing more on Bollywood with tagline Sabse Filmi. Apart from Bollywood programming portfolio, the FM channel contains celebrity interviews and promotion; also airs some of the best moments of Seedhi Baat, a popular interview based show from Aaj Tak hosted by Prabhu Chawla. FM is spread across all its seven cities on operation- Mumbai, Delhi, Kolkata, Amritsar, Jodhpur, Patiala and Shimla.

### Strong brand value in News production business

TVTN is primarily focused on news telecast and broadcasting operations. TVTN has created its own brand namely Aaj Tak and Headlines Today which cater to news for Hindi and English viewers respectively. TVTN remains number one news broadcaster with 22% share in the national news viewership segment. TVTN network has made inroads into the international market by distributing Aaj Tak and Headline Today in the Middle East, US, UK and Continental Europe.

## KEY RISKS

- Intense competitive environment
- Technological obsolescence
- Change in the government policies

## Stock Performances vis-à-vis market

	Returns (%)			
	YTD	1-m	3-m	12-m
TVTODAY	-45	-1	-13	-46
NIFTY	5	-2	-8	13

### Note:

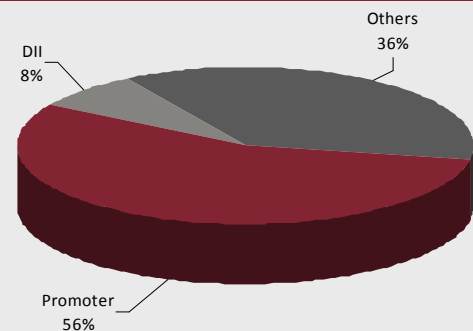
- 1) YTD returns are since Apr 01, 2010 to Feb 17, 2011.
- 2) 1-m, 3-m and 12-m returns are up to Feb 17, 2011

## Key Financial Indicators

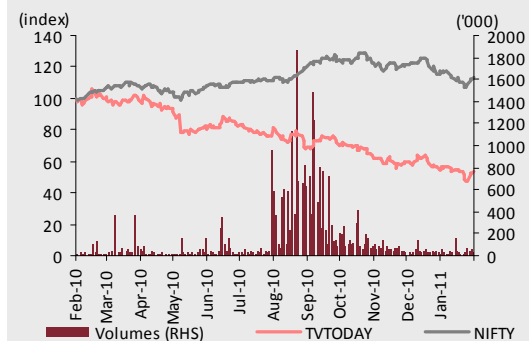
	Mar-08	Mar-09	Mar-10
Revenue (Rs mn)	2,317.4	2,505.7	2,854.5
EBITDA margins (%)	28.1	18.0	18.6
PAT (Rs mn)	435.6	335.6	558.2
PAT margins (%)	18.8	13.4	19.6
Gearing (x)	-	-	0.2
EPS (Rs/share)	7.5	5.8	9.7
PE (x)	13.1	11.3	6.4
P/BV (x)	2.0	1.2	1.2
RoCE (%)	24.2	15.8	15.5
RoE (%)	16.0	11.0	18.0
EV/EBITDA (x)	8.0	6.4	5.6

n.m. : Not meaningful

## Shareholding (As on December 31, 2010)



## Indexed price chart



# TV Today Network Ltd

## BACKGROUND

TVTN is an India-based company engaged in news telecast and broadcasting operations. TVTN was established in Dec 1999 as a media content provider and went public in Dec 2003. The company is a part of India Today group and operates a network of TV news channels. The Company has two segments: TV Broadcasting and Radio Business. The Company comprises four news channels: Aaj Tak, Headlines Today, Tez and Dilli Aaj Tak. Its three channels Aaj Tak, Headline Today and Tez are on the platform of Set Discovery Private Limited and Dilli Aaj Tak is marketed directly by the Company. Headlines Today is around-the-clock English news channel. Tez is an around-the-clock Hindi news channel and Dilli Aaj Tak is the metro centric around-the-clock news channel. In FY10 the company merged with Radio Today Broadcasting Limited, which is engaged in frequency modulation (FM) radio broadcasting business. The contribution from TV Broadcasting segment is 98.50 % and Radio Business is 1.5% of total income.

## COMPETITIVE POSITION

### Peer Comparison

	TV Today Network Ltd Mar-10	Ibn18 Broadcast Ltd. Mar-10	New Delhi Television Ltd. Mar-10	Television Eighteen India Ltd. Mar-10	Zee News Ltd. Mar-10
Revenue (Rs mn)	2,854.5	6,043.9	5,900.6	5,293.2	5,295.1
EBITDA margins (%)	18.6	-3.5	-40.7	0.4	19.1
PAT (Rs mn)	558.2	-1,095.6	1,121.7	-1,182.7	468.3
PAT margins (%)	19.6	-18.1	19.0	-22.3	8.8
Gearing (x)	0.2	nm	1.4	3.9	1.1
EPS (Rs/share)	9.7	-2.5	-12.1	3.2	0.3
PE (x)	6.4	nm	nm	24.9	42.2
P/BV (x)	1.2	12.0	8.7	1.4	1.7
RoCE (%)	15.5	nm	nm	nm	30.2
RoE (%)	18.0	403.1	31.9	nm	30.1
EV/EBITDA (x)	5.6	nm	nm	1,260.2	4.3

n.m.: Not meaningful

## FINANCIAL PROFILE

Steady growth in revenue, pressure on margins

Revenues grew at a CAGR of ~11% between FY08 and FY10. The company has recorded a top line of Rs 2.8 bn for FY 2010 which increased by ~14% over FY 2009 on account of increase in revenue contribution from newly started radio segment. EBITDA margin increased by ~60 basis points on account of decrease in administrative cost over previous year.

PAT for FY 2010 stood at Rs 558 mn vis-à-vis Rs 335 mn for FY 2009 a growth of ~67% is due to lower tax paid in FY10.

### Key Financial Indicators

	Units	Mar-08	Mar-09	Mar-10
Revenue	Rs million	2,317.4	2,505.7	2,854.5
EBITDA margins	Per cent	28.1	18.0	18.6
PAT	Rs million	435.6	335.6	558.2
PAT margins	Per cent	18.8	13.4	19.6
Revenue growth	Per cent	22.2	8.1	13.9
EBITDA growth	Per cent	23.3	-30.9	17.8
PAT growth	Per cent	43.1	-23.0	66.3
Gearing	Times	0.0	0.0	0.2
RoCE	Per cent	24.2	15.8	15.5
RoE	Per cent	16.0	11.0	18.0

## INDUSTRY PROFILE

### TV broadcasting

TV broadcasting refers to the uplinking of TV content for viewing. The content beamed into Indian homes belong to different genres. Entertainment content aimed at the general audience in Hindi and regional languages attract maximum viewership. The rest of the viewership is targeted at specific audience and split across news (general and business news), films, music, children's entertainment, education, spirituality etc. While news and movie channels enjoy larger viewership than other channels, niche channels have significant viewership across specific socio-economic groups. TV broadcasters have two main sources of revenue - advertising revenues and subscription revenues. Pay channels earn revenues from advertising as well as subscription charges, whereas the entire revenue of free-to-air channels comes from advertising. With the turnaround in the macroeconomic environment, growth in ad spends is fairly buoyant. Subscription revenues continue to remain healthy as the growth in TV audience and increasing adoption of addressable distribution platforms has been rapidly transforming the distribution scenario. The increased proliferation of digital platforms, primarily DTH, is expected to increase the flow of subscription revenues further through the value chain.

### Media and Entertainment

The Indian Media and Entertainment industry experienced a modest growth of 6 per cent in 2009 reaching a size of around Rs 613 billion. The industry went through a tough phase in 2009 due to the economic slowdown which resulted in a decline in ad spends. With improvement in macroeconomic environment and advertising budgets coming back on track, the Media & Entertainment industry has recovered reasonably. Subscription revenues, which maintained healthy growth during the slowdown period as well as are also in growth trajectory, driven by the growing subscriber base for DTH and digital cable players and the increased penetration of print in regional markets.

# TV Today Network Ltd

## ANNUAL RESULTS

### Income Statement

(Rs million )	Mar-08	Mar-09	Mar-10
Net Sales	2,309.1	2,499.9	2,848.2
<b>Operating Income</b>	<b>2,317.4</b>	<b>2,505.7</b>	<b>2,854.5</b>
<b>EBITDA</b>	<b>651.8</b>	<b>450.1</b>	<b>530.2</b>
<b>EBITDA Margin</b>	<b>28.1</b>	<b>18.0</b>	<b>18.6</b>
Depreciation	160.1	194.2	211.0
Interest	2.0	-3.4	72.6
Other Income	123.5	168.4	178.3
PBT	667.2	487.5	449.2
<b>PAT</b>	<b>435.6</b>	<b>335.6</b>	<b>558.2</b>
<b>PAT Margin</b>	<b>18.8</b>	<b>13.4</b>	<b>19.6</b>
No. of shares (Mn No.)	58.0	58.0	57.8
Earnings per share (EPS)	7.5	5.8	9.7

### Cash flow

(Rs million )	Mar-08	Mar-09	Mar-10
Pre-tax profit	613.2	427.6	424.9
Total tax paid	-242.4	-188.8	-0.1
Depreciation	160.1	194.2	211.0
Change in working capital	-227.7	-282.4	10.2
<b>Cash flow from operating activities</b>	<b>303.2</b>	<b>150.6</b>	<b>646.0</b>
Capital Expenditure	-37.8	-297.1	-571.7
Investments and others	-545.4	563.2	328.8
<b>Cash flow from investing activities</b>	<b>-583.2</b>	<b>266.1</b>	<b>-242.9</b>
Equity raised/(repaid)	0.7	-2.8	-682.7
Debt raised/(repaid)	-43.4	0.0	683.0
Dividend (incl. tax)	-50.9	-50.9	-50.7
Others (incl extraordinary)	57.9	61.5	33.4
<b>Cash flow from financing activities</b>	<b>-35.7</b>	<b>7.8</b>	<b>-17.0</b>
Change in cash position	-315.7	424.5	386.1
Opening cash	803.0	487.2	911.6
Closing cash	487.2	911.6	1,297.8

n.m : Not meaningful;

### Balance sheet

(Rs million )	Mar-08	Mar-09	Mar-10
Equity share capital	290.0	289.8	297.2
Reserves and surplus	2,621.2	2,911.6	2,715.6
<b>Tangible net worth</b>	<b>2,911.2</b>	<b>3,201.4</b>	<b>3,012.9</b>
Deferred tax liability: [asset]	19.1	-17.8	-126.8
Long-term debt	0.0	0.0	191.7
Short-term-debt	0.0	0.0	491.4
<b>Total debt</b>	<b>0.0</b>	<b>0.0</b>	<b>683.0</b>
Current liabilities	525.5	459.2	554.1
Total provisions	71.6	98.5	116.9
<b>Total liabilities</b>	<b>3,527.4</b>	<b>3,741.3</b>	<b>4,240.1</b>
Gross block	1,496.6	1,551.0	1,885.0
Net fixed assets	832.7	942.3	1,280.6
<b>Investments</b>	<b>1,094.6</b>	<b>531.5</b>	<b>202.7</b>
<b>Current assets</b>	<b>1,600.1</b>	<b>2,267.6</b>	<b>2,756.9</b>
Receivables	795.7	652.9	860.2
Inventories	0.0	0.0	0.0
Cash	487.2	911.6	1,297.8
<b>Total assets</b>	<b>3,527.4</b>	<b>3,741.4</b>	<b>4,240.2</b>

### Ratio

	Mar-08	Mar-09	Mar-10
Revenue growth (%)	22.2	8.1	13.9
EBITDA growth(%)	23.3	-30.9	17.8
PAT growth(%)	43.1	-23.0	66.3
EBITDA margins(%)	28.1	18.0	18.6
Tax rate (%)	36.3	38.7	0.0
PAT margins (%)	18.8	13.4	19.6
Dividend payout (%)	10.0	13.0	7.8
Dividend per share (Rs)	0.7	0.8	0.8
BV (Rs)	50.2	55.2	52.1
Return on Equity (%)	16.0	11.0	18.0
Return on capital employed (%)	24.2	15.8	15.5
Gearing (x)	0.0	0.0	0.2
Interest coverage (x)	321.9	0.0	7.3
Debt/EBITDA (x)	0.0	0.0	1.3
Asset turnover (x)	1.5	1.6	1.7
Current ratio (x)	4.2	4.0	3.5
Gross current assets (days)	218	242	305

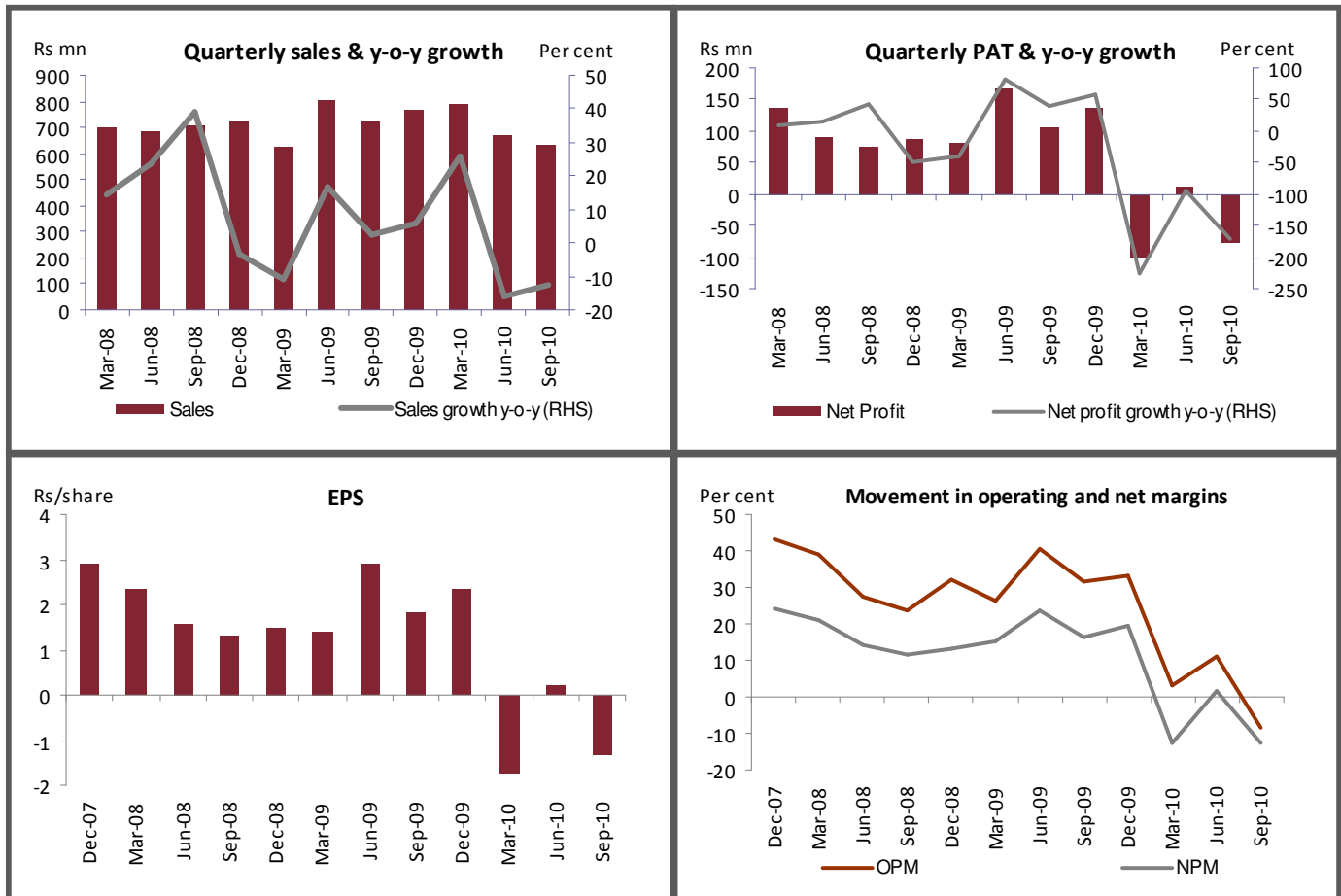
## QUARTERLY RESULTS

### Profit and loss account

(Rs million)	Sep-10	% of	Sep-09	% of	Jun-10	% of	Sep-10	% of	Sep-09	% of
No of Months	3		3		3		6		6	
<b>Revenue</b>	<b>631.8</b>	<b>100.0</b>	<b>724.3</b>	<b>100.0</b>	<b>674.1</b>	<b>100.0</b>	<b>1,306.0</b>	<b>100.0</b>	<b>1,526.2</b>	<b>100.0</b>
<b>EBITDA</b>	<b>(49.8)</b>	<b>(7.9)</b>	<b>205.3</b>	<b>28.3</b>	<b>71.3</b>	<b>10.6</b>	<b>21.5</b>	<b>1.6</b>	<b>491.7</b>	<b>32.2</b>
Interest	1.3	0.2	0.3	0.0	7.8	1.2	9.0	0.7	0.6	0.0
Depreciation	42.8	6.8	42.1	5.8	45.4	6.7	88.2	6.8	87.9	5.8
PBT	(93.9)	(14.9)	162.6	22.4	18.2	2.7	(75.7)	(5.8)	402.5	26.4
<b>PAT</b>	<b>(75.9)</b>	<b>(12.0)</b>	<b>106.1</b>	<b>14.7</b>	<b>10.1</b>	<b>1.5</b>	<b>(65.8)</b>	<b>(5.0)</b>	<b>272.6</b>	<b>17.9</b>

# TV Today Network Ltd

## FOCUS CHARTS & TABLES



### Shareholding Pattern (Per cent)

	Mar 2010	Jun 2010	Sep 2010	Dec 2010
Promoter	55.9	55.9	55.9	55.9
FII	0.0	0.0	0.0	0.0
DII	20.4	19.9	9.2	7.7
Others	23.7	24.2	34.9	36.5

### Board of Directors

Director Name	Designation
Aroon Purie (Mr.)	Executive Chairman & Managing Director, Promoter-Director
Rakesh Kumar Malhotra (Mr.)	Non-Executive Director
Anil Kumar Mehra (Mr.)	Non-Executive Director
Rajeev Thakore (Mr.)	Non-Executive Director
Anil Vig (Mr.)	Non-Executive Director
Ashok Kapur (Mr.)	Non-Executive Director
Koel Purie Rinchet (Ms.)	Promoter-Director, Wholetime Director

### Additional Disclosure

This report has been sponsored by NSE - Investor Protection Fund Trust (NSEIPFT).

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