

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

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

Trading Symbol : **TV18BRDCST**

SCRIP CODE: **532800**

**Sub: Investor Presentation by Network18 on Composite Scheme of  
Amalgamation and Arrangement**


Dear Sirs,

We enclose herewith Investor Presentation being released by Network18 Media & Investments Limited on the captioned Scheme.

You are requested to take the same on record.

Thanking You,

For TV18 Broadcast Limited



(Ratnesh Rukhariyar)  
Company Secretary

Encl.: As above

**TV18 Broadcast Limited**

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# Investor Presentation

Creating a Diversified Media and Distribution  
Powerhouse

## Synopsis of transaction

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### **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

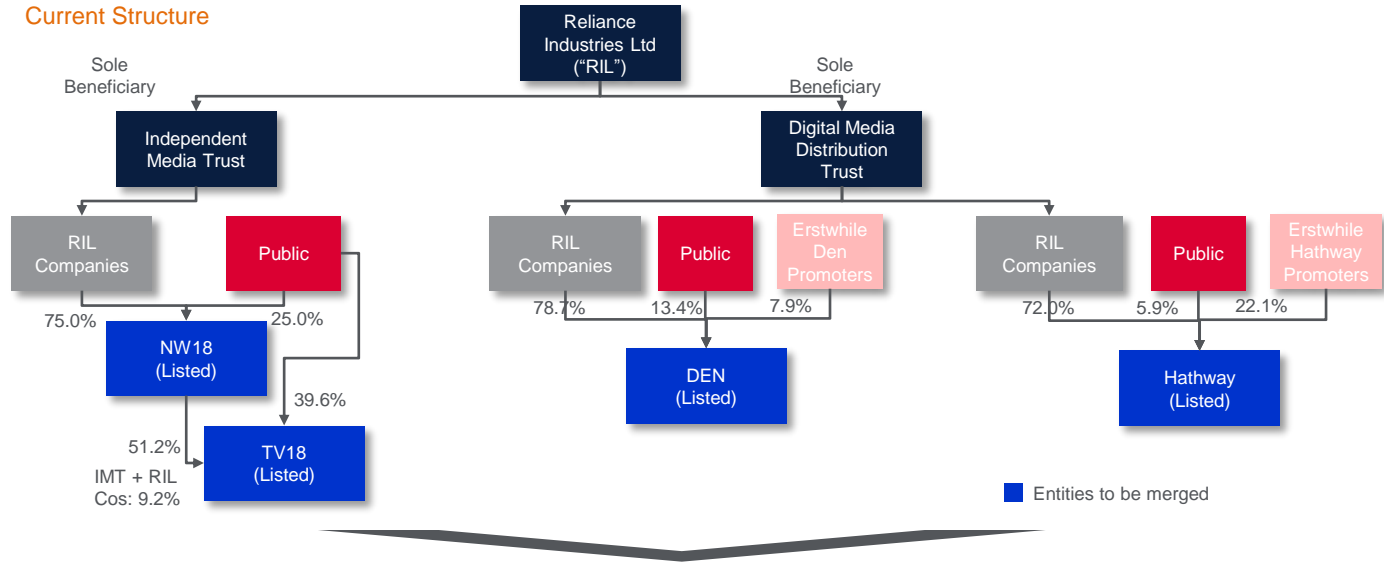
### **Resultant: Diversified business, with better visibility and control**

- 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)

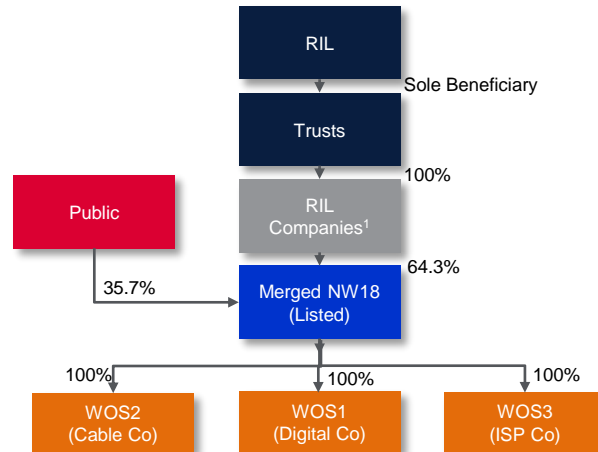
**Flagship Media & Distribution entity of Reliance group**

# 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

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- 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**

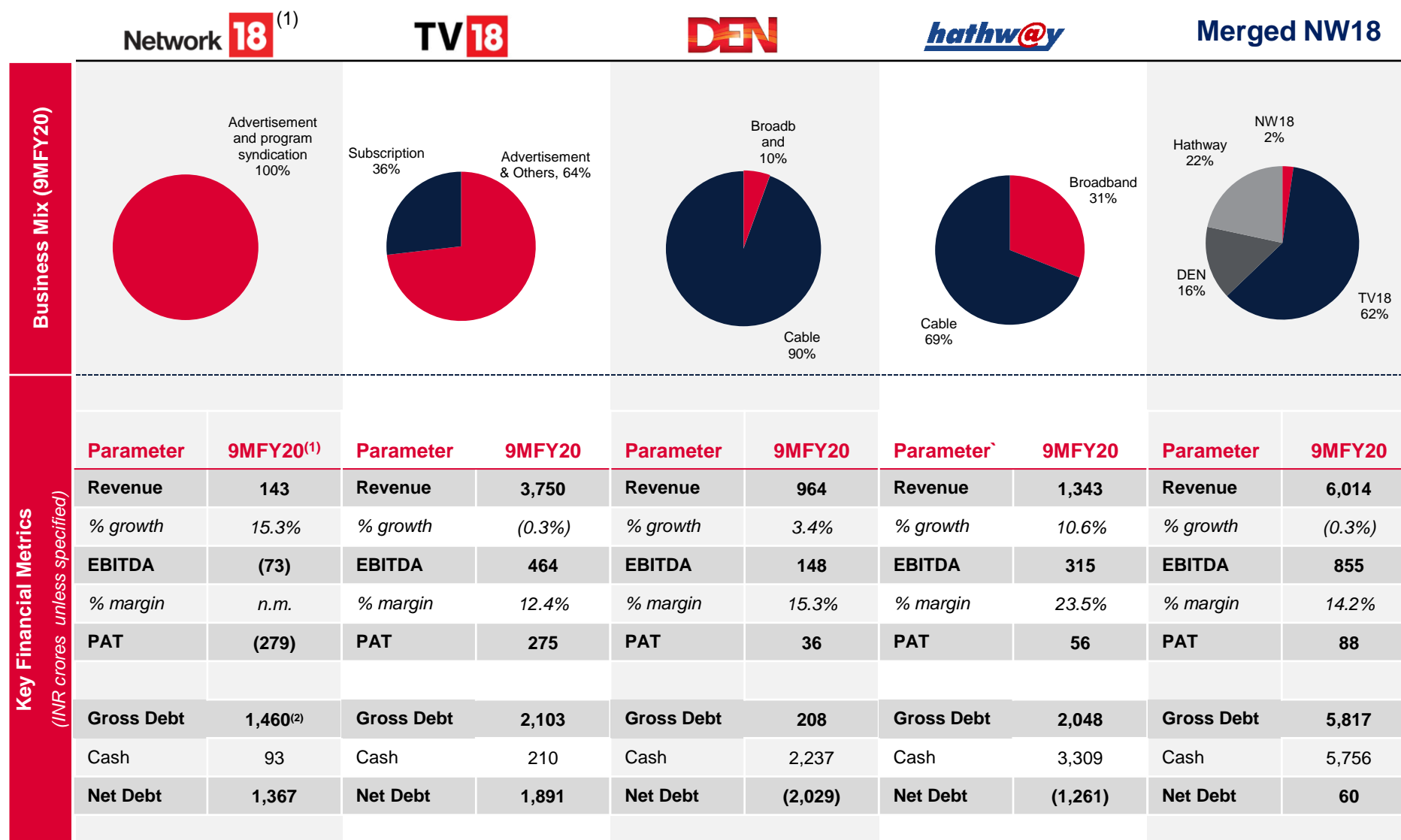
## Financial Rationale

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- 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



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

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## 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%
<b>Total Promoter &amp; Promoter Group</b>	<b>78.52</b>	<b>75.0%</b>	<b>103.55</b>	<b>60.4%</b>	<b>41.29</b>	<b>86.5%</b>	<b>166.56</b>	<b>94.1%</b>
Public shareholders	26.17	25.0%	67.88	39.6%	6.43	13.5%	10.45	5.9%
<b>Total</b>	<b>104.69</b>	<b>100.0%</b>	<b>171.44</b>	<b>100.0%</b>	<b>47.72</b>	<b>100.0%</b>	<b>177.01</b>	<b>100.0%</b>

# Post scheme shareholding pattern of Network18 <sup>(1)</sup>

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

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<sup>(1)</sup>

## 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 1<sup>st</sup>, 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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**Thank You**

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