



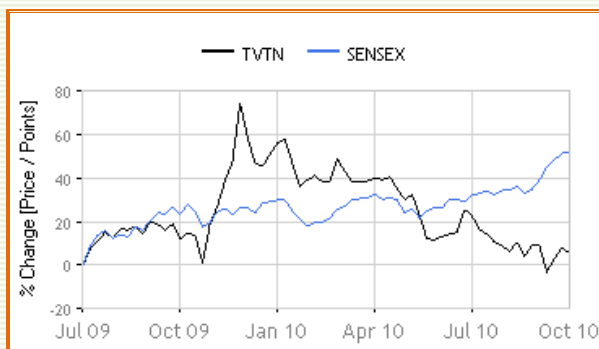
**Sector** *Media & Entertainment*

<b>Recommendation</b>	<b>Buy</b>
Target Price-	140
CMP -	86.85
Potential upside-	41%
Tenure-	12 Months

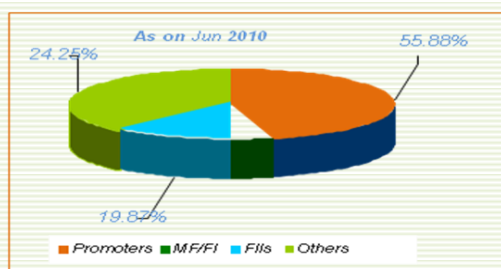
<b>Bloomberg-</b>	<b>TVTN:IN</b>
<b>BSE--</b>	<b>TVTN</b>
<b>NSE-</b>	<b>TVTODAY</b>

**Stock Info:**

Weekly H/L-	90.90/85.25.
Monthly H/L-	96.50/77.05
52 Weeks H/L-	151.80/76.10



**Share holding pattern:**



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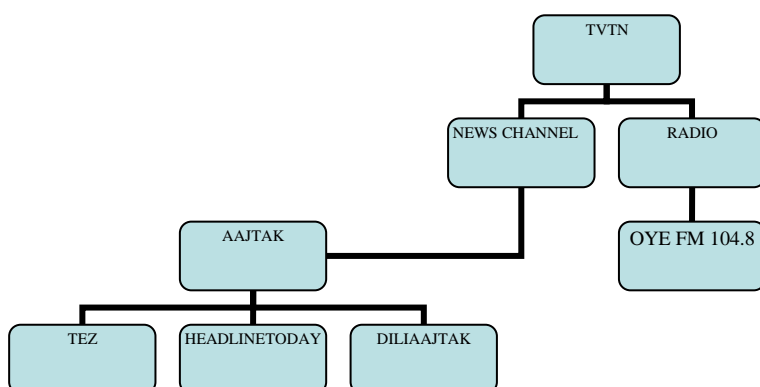
**TV Today Network Ltd.**

The Indian Entertainment and media industry (E& M) which continues to be one of the fastest growing sectors in India. The overall size of the Media and Entertainment industry grew from INR 579billion in 2008 to INR 587 billion in 2009.

**Company Profile:**

T.V. Today Network Ltd. is an India-based company engaged in news telecast and broadcasting operations. 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. During the fiscal year ended March 31, 2010, the Company merged with Radio Today Broadcasting Limited, which is engaged in frequency modulation (FM) radio broadcasting business.

**Business Segment:**



## Financial Performance:

### Quarterly:

Net profit of T.V. Today Network declined 93.93% to Rs 1.01 crore in the quarter ended June 2010 as against Rs 16.64 crore during the previous quarter ended June 2009. Sales declined 8.49% to Rs 65.01 crore in the quarter ended June 2010 as against Rs 71.04 crore during the previous quarter ended June 2009.

### Annual Results:

During the financial year, the FM Radio broadcasting business of Radio Today Broadcasting Limited was merged with TV Today Network. Hence the financial results for the year ended on 31st March, 2010 reflect the merged results of Television and FM Radio broadcasting business. Company's revenue from operations has been Rs.284.82 Crores compared to Rs. 249.99 Crores last year, an increase of 14 %. Profit before tax has been Rs 46.98 Crores compared to Rs. 48.90 Crores last year, registering a decline of 4 % over the last year. Profit after tax has been Rs.30.86 Crores compared to Rs. 33.55 Crores last year, registering a decline of 8 % over the last year. Since the results of FM Broadcasting business has been merged with the financial year ended on 31st March, 2010.

### Investment Rationale:

The major source of revenue of the company is advertisement and subscriptions. Govt. has allowed 100% FDI in this segment through automatic route.

➤ **TVTAN remains number one News broadcaster with 22% share in the national news-**  
In spite of intense competition and a cluttered news space, Aaj Tak continues to dominate by being the channel of choice during key events

➤ **Entering into FM Radio-**

TVTAN entered into FM channel. Its Radio Meow has been the pioneer in positioning women as a target for their radio station and has been successful in garnering listeners. Recently TVTAN launched a Oye! 104.8 FM in seven cities.

➤ **Demerger of Radio Broadcasting Business of Radio Today Broadcasting Limited.**

### Peer Group Comparison:

MEDIA & ENTERTAINMENT	NPM(%)	EPS	P/E(X)	BV	P/BV(X)	EV/EBIDT	EV/NET	ROE(%)
						A	SALES	
Inox Leisure Ltd.	10.57587	4.210288	17.11284	50.29727	1.432483	12.4718	2.332294	8.370808
TV Today Network Ltd.	10.83491	5.317389	15.88185	52.54842	1.607089	5.674884	1.496924	10.11903
Jagran Prakashan	18.67522	5.840555	22.18967	20.33901	6.371991	12.44537	4.182371	28.71602
HT Media	9.878	5.309588	29.71041	42.93204	3.674412	13.94728	3.022973	12.36742
Sun TV Network Ltd.	40.67211	14.3974	36.88166	51.13135	10.38502	17.78027	14.69646	28.15768

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**Valuation Outlook:**

- On the basis of relative valuation , the enterprise value of the company is Rs 4263.5. and stock is currently trading at Rs 86.85 of PE 15.88(x) with EPS 5.31%.
- Stock is trading at 1.67 times of book value (BV)Rs 52.55 per share and ROE is 10.34%. giving attractive return than peer group companies.
- We expect earnings to grow at a CAGR of 18% for next 4 years.
- From peer group comparison, TVTN has 10.89% net profit margin.

We recommend a **Buy** on the stock with target Rs 140 for long-term investment horizon.

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