



EARNINGS RELEASE: Q3 2010-11

Breakout Quarter for Network18 Surge in Operating Profits Driven by Robust Revenue Growth

New Delhi, January 27, 2011 - Network18 Group today announced its results for the quarter ended December 31, 2010.

Key Highlights for Q3 FY2010-11

- Consolidated revenues stood at Rs. 406 crores for the quarter, up 21% compared to the corresponding quarter last year (adjusted for the sale of Infomedia's BPO unit and revenues from TIFC) and up 14% sequentially quarter-on-quarter.
- Robust operating profit (EBITDA) of Rs. 33 crores for the quarter, compared to a profit of Rs. 2 crores in the corresponding quarter last year and Rs. 5 crores in Q2 of the current financial year. Operating profits surged in the Television Business with continued part re-investment in our Digital Business.
- Our Television Business revenues grew to Rs. 315 crores, a growth of 21% over the corresponding quarter last year. Operating Profit (EBITDA) more than doubled to Rs. 55 crores during the quarter from Rs. 25 crores in the third quarter last year. The Television Business delivered a healthy profit margin of 17% on the back of strong advertising revenues. Subscription revenues are expected to start adding to profitability further from next year.
- We continue to consolidate our leadership positions across all our business segments – 6/9 TV channels were No 1 during the quarter; Web, Yellow Pages and Home Shopping businesses retained their leadership status.

Announcing the results, Raghav Bahl, Managing Director, Network18 said that, "Our operating profits' trajectory decisively signals our entry into the profitable phase of our growth. It is heartening to see our investments over the last few years delivering on their promises to our stakeholders."

Commenting on the third quarter results, Haresh Chawla, Group CEO, said, "Quarter III is traditionally a strong quarter for us and this year our various businesses performed well on all parameters – advertising revenues, profit margins and market share. We expect this growth trajectory to be further strengthened over the next year by the expected uptick in our subscription revenues. "

NETWORK18 – KEY HIGHLIGHTS

Television Business

I. Business News Operations had another quarter of profitable growth - revenues increased by 17% and operating profits increased by 36% (Q3 FY11 over Q3 FY10).

- Revenues grew to Rs. 79 crores during the quarter compared to Rs. 67 crores in Q3 FY10.
- Operating profit increased to Rs. 23 crores in Q3 FY11 from Rs. 17 crores in Q3 FY10; operating profit margin stood at 29%.
- Our Business News Channels – CNBC TV18 and CNBC Awaaz continued to be market leaders with 57% market share during the quarter.

II. Strong profitable growth uptrend at Viacom18 continued – revenue growth of 21% (Q3 FY11 over Q3 FY10) driving an operating profit of Rs. 51 crores up substantially from a profit of Rs. 9 crores in Q3 FY10.

- Q3 FY11 revenues stood at Rs. 323 crores (against Rs. 266 crores in Q3 FY10).
- Operating profit increased to Rs. 51 crores up sharply compared to 9 crores last year. Profit After Tax (PAT) increased to Rs. 46 crores from Rs. 6 crores in Q3 FY10.
- Colors continued its strong performance in the GEC space during the quarter. The channel delivered strong ratings across programming categories: Reality - led by our flagship reality show Big Boss 4; Movies - led by the premiere of Dabangg and 3 of our Fiction shows continued to be slot leaders during prime time.
- MTV and Nick maintained their market leadership in the youth and kids genres respectively.

III. In the General News Operations, CNN IBN maintained its leadership position and there was strong ratings traction at IBN7. Revenues grew 39% sequentially quarter on quarter and the business broke into profits compared to a small loss in the first half.

- Q3 FY11 revenues stood at Rs. 72 crores against Rs. 58 crores in Q3 FY10, up 24%.
- Operating profit was Rs. 8 crores against Rs. 5.5 crores in Q3 FY10.
- CNN IBN sustained its position as the channel of choice for English audiences with a market leading 30% share.

IV. SUN18 Media Services continued to make good progress in negotiating long term contracts with DTH companies and cable operators. These discussions affirmed our view that current year distribution revenues will show market linked growth and more meaningful upside will come through next year.

V. Performance of New TV18 (Pro forma) – Comparison with last year (Q3 FY10)

| | Q3 FY11 | | | Q3 FY10 | | | % Growth | |
|----------------------|------------|-----------|-----------------|------------|-----------|-----------------|------------|-------------|
| | Revenues | EBITDA | EBITDA Margin % | Revenues | EBITDA | EBITDA Margin % | Revenues | EBITDA |
| TV | 315 | 55 | 17% | 261 | 25 | 10% | 21% | 118% |
| <i>Business News</i> | 79 | 23 | 29% | 67 | 17 | 25% | 17% | 36% |
| <i>IBN</i> | 236 | 32 | 14% | 193 | 9 | 4% | 22% | 275% |

VI. Performance of New TV18 (Pro forma) – Comparison with last quarter (Q2 FY11)

| | Q3 FY11 | | | Q2 FY11 | | | % Growth | |
|----------------------|------------|-----------|-----------------|------------|-----------|-----------------|------------|-------------|
| | Revenues | EBITDA | EBITDA Margin % | Revenues | EBITDA | EBITDA Margin % | Revenues | EBITDA |
| TV | 315 | 55 | 17% | 257 | 23 | 9% | 22% | 141% |
| <i>Business News</i> | 79 | 23 | 29% | 68 | 21 | 31% | 16% | 8% |
| <i>IBN</i> | 236 | 32 | 14% | 189 | 2 | 1% | 25% | 1792% |

Filmed Entertainment

Viacom18 completed the acquisition of The Indian Film Company (TIFC). Network18 profits for the quarter include a one-time gain of Rs. 95.14 crores from the transaction.

Digital Business

I. Web18 recorded 10% revenue growth (Q3 FY11 over Q3 FY10) and broke even during the quarter.

- Q3 FY11 revenues of Rs. 22 crores (against Rs. 20 crores in Q3 FY10). Quarter-on-quarter the revenues grew by 12%.
- Operating break-even for the quarter (against a loss of Rs. 3 crores in Q3 FY10).
- Moneycontrol.com and In.com, continued to be market leaders in their categories – financial portal and horizontal respectively. We also launched Markets on Mobile, M3 and IBN Live mobile apps across platforms during the last quarter.
- Bookmyshow.com continued its strong revenue growth and turned profitable on an EBITDA basis this quarter.

II. Newswire18 continued its profitable growth trajectory with a 24% increase in revenues to Rs. 10 crores and operating profit of Rs. 1.79 crores (against a profit of Rs. 54 lakhs in Q3 FY10).

Home Shopping

I. HomeShop18 continued to grow steadily across all parameters - gross sales, revenues and customers.

- Launched 191 products during the quarter with enhanced focus on delivering customer wow.
- Won the Star Retailer Award 2010 for being the Most Innovative Retailer of the Year by Franchise India and the Master Brand Award at World Brand Congress 2010 by CMO Council.

Capital18

I. Capital18 companies grew their consolidated revenues to ~ Rs. 43 crores (excluding DEN) during the quarter (a growth of 56% compared to the same quarter last year).

Note: We are reporting the financials only as per the current structure in this quarter as we are yet to receive requisite approvals for the proposed scheme of arrangement.

Network18 Media & Investments Limited
Consolidated Financial Performance for the Quarter Ended 31st December, 2010
(Rs Cr)

| Particulars | Q3 2010-11 | Q3 2009-10 | Q2 2010-11 | FY 2009-10 |
|---|-------------|-------------|-------------|--------------|
| REVENUES: OPERATIONS | 406 | 370 | 355 | 1,275 |
| I : Revenues: Media Operations | | | | |
| a) Television Eighteen India Ltd (As published) | 147 | 129 | 145 | 553 |
| 1) News Operations | 79 | 67 | 68 | 273 |
| 2) Web18 | 22 | 20 | 19 | 73 |
| 3) Newswire18 | 10 | 8 | 10 | 33 |
| 4) Infomedia18 | 36 | 33 | 48 | 174 |
| b) ibn18 Broadcast Limited (As published) | 236 | 193 | 189 | 604 |
| c) Homeshop18 (Unlisted Subsidiary) | 17 | 15 | 17 | 51 |
| d) TIFC (Unlisted Subsidiary) | | 32 | 0 | 88 |
| e) Setpro18 (Unlisted Subsidiary) | 24 | 21 | 21 | 92 |
| f) Events, Sports & Advisory (Divisions) | 11 | 10 | 8 | 33 |
| II : Revenues from Investment Activities | 0 | 0 | 0 | 0 |
| III : Less - Inter Company Revenues | (29) | (30) | (26) | (145) |
| Operating Expense | 373 | 368 | 350 | 1,336 |
| Operating Profit | 33 | 2 | 5 | (61) |
| Operating Margin | 8% | 1% | 1% | -5% |
| Depreciation | 16 | 17 | 16 | 71 |
| Interest (Net) | (25) | (34) | (25) | (62) |
| Non Recurring Income (Net of Expenditure) | 95 | 1 | 0 | (66) |
| Prior period and exceptional items | 1 | (0) | (6) | 0 |
| Total Profit Before Tax, Minority Interest, ESOP Charge Out & Exchange Fluctuations | 87 | (48) | (42) | (260) |
| Provision for Current Tax/FBT | 7 | 1 | 10 | 5 |
| Profit After Tax (before Minority Interest, ESOP charge out & Exchange Fluctuations) | 80 | (49) | (52) | (264) |
| Minority Interest | 4 | (33) | (20) | (152) |
| Profit After Tax and Minority Interest | 75 | (17) | (32) | (113) |
| ESOP charge out & Exchange Fluctuations | 3 | 4 | 1 | 17 |
| Profit After ESOP Charge Out & Exchange Fluctuations | 72 | (21) | (33) | (130) |
| Provision for Deferred tax | (7) | 1 | 2 | 5 |
| Net Profit After Deferred Tax | 79 | (22) | (36) | (134) |
| Paid up Equity Share Capital | 58 | 57 | 58 | 57 |

*Note: Consolidation of TIFC now happens in ibn18.

Network18 Media & Investments Limited
Standalone Financial Performance for the Quarter Ended 31st December, 2010

(Rs Cr)

| Particulars | Q3 2010-11 | Q3 2009-10 | Q2 2010-11 | FY 2009-10 |
|--------------------------------------|-------------|------------|-------------|-------------|
| REVENUES: OPERATIONS | 11 | 10 | 8 | 33 |
| Operating Expense | 13 | 14 | 12 | 43 |
| Operating Profit/Loss | (2) | (3) | (4) | (10) |
| Operating Margin/Loss | -21% | -34% | -51% | -31% |
| Depreciation | 0 | 0 | 0 | 1 |
| Interest (Net) | (13) | (2) | (14) | (28) |
| Non Recurring Income / (Expenditure) | 0 | 0 | 0 | 0 |
| Total Profit Before Tax | (16) | (5) | (18) | (39) |
| Provision for Current Tax/FBT | 0 | 0 | 0 | 0 |
| ESOP Chargeout | 1 | 0 | 1 | 5 |
| Provision for Deferred tax | 0 | 0 | 0 | 0 |
| Net Profit After Deferred Tax | (17) | (5) | (19) | (45) |
| Paid up Equity Share Capital | 58 | 57 | 57 | 57 |

NET DEBT POSITION TABLE

| <i>All Values in Rs Cr</i> | Gross Debt | | Cash & Equivalents (Liquid Mutual Funds) | | Net Debt | | Net Debt Net of Working Capital | |
|----------------------------|-----------------|-----------------|---|-----------------|-----------------|-----------------|------------------------------------|-----------------|
| | Dec 31, 2010 | Sep 30, 2010 | Dec 31, 2010 | Sep 30, 2010 | Dec 31, 2010 | Sep 30, 2010 | Dec 31, 2010 | Sep 30, 2010 |
| Network18 | 1,704 | 1,914 | 783 | 994 | 921 | 920 | 233 | 282 |
| TV18 | 765 | 773 | 119 | 200 | 646 | 573 | 341 | 292 |
| IBN18 | 384 | 349 | 102 | 266 | 281 | 82 | (44) | (229) |

Note: Numbers are for the consolidated entities

ibn18 BROADCAST LIMITED

(Listed Subsidiary of Network18)

- I. ibn18 consolidated quarter revenues stood at Rs. 236 crores, up 22% against the corresponding quarter last year and up 25% sequentially from Q2 FY11. Operating profit surged to Rs. 32 crores in Q3 FY11 from Rs. 9 crores in Q3 FY10.**
- II. Strong profitable growth uptrend at Viacom18 continued – revenue growth of 21% (Q3 FY11 over Q3 FY10) driving an operating profit of Rs. 51 crores up substantially from a profit of Rs. 9 crores in Q3 FY10.**
- Q3 FY11 revenues stood at Rs. 323 crores (against Rs. 266 crores in Q3 FY10).
 - Operating profit increased to Rs. 51 crores up sharply compared to 9 crores last year. Profit After Tax (PAT) increased to Rs. 46 crores from Rs. 6 crores in Q3 FY10.
 - Colors continued its strong performance in the GEC space during the quarter. The channel delivered strong ratings across programming categories: Reality - led by our flagship reality show Big Boss 4; Movies - led by the premiere of Dabangg and 3 of our Fiction shows continued to be slot leaders during prime time.
 - MTV and Nick maintained their market leadership in the youth and kids genres respectively.
- III. In the General News Operations, CNN IBN maintained its leadership position and there was strong ratings traction at IBN7. Revenues grew 39% sequentially quarter on quarter and the business broke into profits compared to a small loss in the first half.**
- Q3 FY11 revenues stood at Rs. 72 crores against Rs. 58 crores in Q3 FY10, up 24%.
 - Operating profit was Rs. 8 crores against Rs. 5.5 crores in Q3 FY10.
 - CNN IBN sustained its position as the channel of choice for English audiences with a market leading 30% share.
- IV. ibn Lokmat continued on a growth trajectory – revenues increased 16% over Q3 FY10.**

V. **SUN18 Media Services continued to make good progress in negotiating long term contracts with DTH companies and cable operators. These discussions affirmed our view that current year distribution revenues will show market linked growth and more meaningful upside will come through next year.**

VI. Performance of New TV18 (Pro forma) – Comparison with last year (Q3 FY10)

| | Q3 FY11 | | | Q3 FY10 | | | % Growth | |
|----------------------|------------|-----------|-----------------|------------|-----------|-----------------|------------|-------------|
| | Revenues | EBITDA | EBITDA Margin % | Revenues | EBITDA | EBITDA Margin % | Revenues | EBITDA |
| TV | 315 | 55 | 17% | 261 | 25 | 10% | 21% | 118% |
| <i>Business News</i> | 79 | 23 | 29% | 67 | 17 | 25% | 17% | 36% |
| <i>IBN</i> | 236 | 32 | 14% | 193 | 9 | 4% | 22% | 275% |

VII. Performance of New TV18 (Pro forma) – Comparison with last quarter (Q2 FY11)

| | Q3 FY11 | | | Q2 FY11 | | | % Growth | |
|----------------------|------------|-----------|-----------------|------------|-----------|-----------------|------------|-------------|
| | Revenues | EBITDA | EBITDA Margin % | Revenues | EBITDA | EBITDA Margin % | Revenues | EBITDA |
| TV | 315 | 55 | 17% | 257 | 23 | 9% | 22% | 141% |
| <i>Business News</i> | 79 | 23 | 29% | 68 | 21 | 31% | 16% | 8% |
| <i>IBN</i> | 236 | 32 | 14% | 189 | 2 | 1% | 25% | 1792% |

ibn18 Broadcast Limited
Consolidated Financial Performance for the Quarter Ended 31st December, 2010
(Rs Cr)

| Particulars | <i>ibn18 - Standalone</i> | <i>Viacom18</i> | <i>IBN Lokmat</i> | <i>TIFC</i> | <i>ibn18 – Consolidated</i> | <i>ibn18 – Consolidated</i> | <i>ibn18 – Consolidated</i> |
|--|---------------------------|-----------------|-------------------|-------------|-----------------------------|-----------------------------|-----------------------------|
| | Q3 2010-11 | Q3 2010-11 | Q3 2010-11 | Q3 2010-11 | Q3 2010-11 | Q3 2009-10 | Q2 2010-11 |
| | 100% | 50% | 50% | 50% | | | |
| INCOME | | | | | | | |
| Income from Operations | 72 | 161 | 2 | 1 | 236 | 193 | 189 |
| TOTAL | 72 | 161 | 2 | 1 | 236 | 193 | 189 |
| EXPENDITURE | | | | | | | |
| Production, administrative and other costs | 44 | 126 | 2 | 1 | 173 | 156 | 158 |
| Personnel expenses | 20 | 10 | 1 | 0 | 31 | 29 | 30 |
| TOTAL | 64 | 136 | 3 | 1 | 204 | 185 | 187 |
| EBITDA | 8 | 25 | (1) | (0) | 32 | 9 | 2 |
| EBITDA Margin | 11% | 16% | -40% | -18% | 14% | 4% | 1% |
| Other income | 2 | 0 | 0 | 0 | 2 | 0 | 4 |
| Depreciation | 3 | 1 | 0 | 0 | 5 | 5 | 5 |
| Interest and financial charges | 9 | 6 | 0 | 0 | 15 | 15 | 12 |
| PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS | (1) | 19 | (2) | (0) | 16 | (11) | (12) |
| Exceptional income | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| Exceptional expense (Impairment of ibn18 M) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Profit/(Loss) before tax & ESOP | (1) | 19 | (2) | (0) | 16 | (10) | (12) |
| Provision for taxes (Fringe benefit tax) | 0 | (4) | 0 | (0) | (4) | 0 | 2 |
| ESOP Cost | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| Profit/(Loss) after tax before associate loss | (1) | 23 | (2) | 0 | 20 | (11) | (13) |

Notes:

1. ibn18 Consolidated Nos. includes 100% of ibn18 Standalone and 50% share of Viacom18 and 50% share of IBN Lokmat accounted for line-by-line in the JV method.
2. Consolidated figure may not match the sum of ibn18 Standalone, 50% of Viacom18 and 50% of IBN Lokmat on account of smaller subsidiaries not shown above.
3. Viacom18 numbers include subsidiaries.
4. Q3 FY11 includes TIFC numbers.

Viacom18
Financial Performance for the Quarter Ended 31st December, 2010
(Rs Cr)

| Particulars | Q3 2010-11 | Q3 2009-10 | Q2 2010-11 | FY 2009-10 |
|---|------------|------------|------------|-------------|
| INCOME | | | | |
| Income from Operations | 323 | 266 | 272 | 834 |
| TOTAL | 323 | 266 | 272 | 834 |
| EXPENDITURE | | | | |
| Production, administrative and other costs | 253 | 234 | 232 | 781 |
| Personnel expenses | 19 | 23 | 18 | 84 |
| TOTAL | 272 | 257 | 250 | 865 |
| EBITDA | 51 | 9 | 22 | (31) |
| EBITDA Margin | 16% | 3% | 8% | -4% |
| Other income | 0 | 0 | 0 | 2 |
| Depreciation | 2 | 2 | 2 | 8 |
| Interest and financial charges | 11 | 2 | 2 | 6 |
| Profit/(Loss) before tax & ESOP | 37 | 6 | 18 | (43) |
| Provision for taxes (Fringe benefit tax) | (8) | 0 | 4 | 0 |
| Profit/(Loss) after tax carried to balance sheet | 46 | 6 | 14 | (43) |

ibn18 Broadcast Limited
Standalone Financial Performance for the Quarter Ended 31st December, 2010
(Rs Cr)

Standalone ibn18 comprises CNN IBN + IBN7

| Particulars | | Q3 2010-11 | Q3 2009-10 | Q2 2010-11 | FY 2009-10 |
|---|---|------------|-------------|-------------|-------------|
| INCOME | | | | | |
| | Income from News operations | 72 | 58 | 52 | 210 |
| | TOTAL | 72 | 58 | 52 | 210 |
| EXPENDITURE | | | | | |
| | Production, administrative and other costs | 44 | 36 | 39 | 153 |
| | Personnel expenses | 20 | 17 | 19 | 69 |
| | TOTAL | 64 | 53 | 59 | 222 |
| EBITDA | | 8 | 6 | (7) | (12) |
| EBITDA Margin | | 11% | 9% | -13% | -6% |
| | Other income | 2 | 0 | 4 | 3 |
| | Depreciation | 3 | 3 | 3 | 13 |
| | Interest and financial charges | 9 | 14 | 11 | 43 |
| Profit Before Tax And Exceptional Items | | (1) | (11) | (17) | (66) |
| | Exceptional income | 0 | 1 | 0 | 52 |
| | Exceptional expense (Impairment of ibn18 M) | 0 | 0 | 0 | 66 |
| Profit/(Loss) before tax & ESOP | | (1) | (10) | (17) | (80) |
| | Provision for taxes (FBT) | 0 | 0 | 0 | 0 |
| | ESOP Cost | 0 | 1 | 0 | 2 |
| Profit/(Loss) after tax carried to balance sheet | | (1) | (11) | (17) | (82) |

IBN Lokmat
Financial Performance for the Quarter Ended 31st December, 2010
(Rs Cr)

| Particulars | | Q3 2010-11 | Q3 2009-10 | Q2 2010-11 | FY 2009-10 |
|---|--|------------|------------|------------|-------------|
| INCOME | | | | | |
| | Income from News Operations | 5 | 4 | 3 | 13 |
| | TOTAL | 5 | 4 | 3 | 13 |
| EXPENDITURE | | | | | |
| | Production, administrative and other costs | 5 | 5 | 5 | 20 |
| | Personnel expenses | 2 | 2 | 2 | 8 |
| | TOTAL | 7 | 7 | 7 | 27 |
| EBITDA | | (2) | (3) | (4) | (14) |
| | Other income | 0 | 0 | 0 | 0 |
| | Depreciation | 1 | 1 | 1 | 4 |
| | Interest and financial charges | 1 | 1 | 1 | 3 |
| Profit/(Loss) before tax & ESOP | | (3) | (4) | (6) | (21) |
| Provision for taxes (FBT) | | 0 | 0 | 0 | 0 |
| Profit/(Loss) after tax carried to balance sheet | | (3) | (4) | (6) | (21) |

NET DEBT POSITION TABLE

| <i>All Values in Rs Cr</i> | Gross Debt | | Cash & Equivalents (Liquid Mutual Funds) | | Net Debt | | Net Debt Net of Working Capital | |
|----------------------------|--------------|--------------|--|--------------|--------------|--------------|---------------------------------|--------------|
| | Dec 31, 2010 | Sep 30, 2010 | Dec 31, 2010 | Sep 30, 2010 | Dec 31, 2010 | Sep 30, 2010 | Dec 31, 2010 | Sep 30, 2010 |
| TV18 | 765 | 773 | 119 | 200 | 646 | 573 | 341 | 292 |
| IBN18 | 384 | 349 | 102 | 266 | 281 | 82 | (44) | (229) |

Note: Numbers mentioned above are for the consolidated entities.

TELEVISION EIGHTEEN INDIA LIMITED

(A Listed Subsidiary of Network18)

I. Consolidated revenue growth of 14% on a reported basis, operating profit doubled to Rs. 19 crores compared to Q3 FY10.

- Revenues grew to Rs. 147 crores during the quarter (from Rs. 129 crores in Q3 FY10); 17% growth in News Operations and 10% growth in Web Operations.
- Operating Profits grew to Rs. 19 crores driven by strong profitability in Business News Operations; we continued to invest in building our Digital Businesses in Infomedia18 and Web18.

II. Business News Operations had another quarter of profitable growth - revenues increased by 17% and operating profits increased by 36% (Q3 FY11 over Q3 FY10).

- Revenues grew to Rs. 79 crores during the quarter (compared to Rs. 67 crores in Q3 FY10).
- Operating profit increased to Rs. 23 crores in Q3 FY11 from Rs. 17 crores in Q3 FY10; operating profit margin stood at 29%.
- Our Business News Channels – CNBC TV18 and CNBC Awaaz continued to be market leaders with 57% market share during the quarter.

III. Web18 recorded 10% revenue growth (Q3 FY11 over Q3 FY10) and broke even during the quarter.

- Q3 FY11 revenues of Rs. 22 crores (against Rs. 20 crores in Q3 FY10). Quarter-on-quarter the revenues grew by 12%.
- Operating break-even for the quarter (against a loss of Rs. 3 crores in Q3 FY10).
- Moneycontrol.com and In.com, continued to be market leaders in their categories – financial portal and horizontal respectively. We also launched Markets on Mobile, M3 and IBN Live mobile apps across platforms during the last quarter.
- Bookmyshow.com continued its strong revenue growth and turned profitable on an EBITDA basis this quarter.

IV. Newswire18 continued its profitable growth trajectory with a 24% increase in revenues to Rs. 10 crores and operating profit of Rs. 1.79 crores (against a profit of Rs. 54 lakhs in Q3 FY10).

V. Infomedia18 and other print operations recorded revenues of Rs. 36 crores in Q3 FY11 registering a healthy growth when compared to Q3 FY10 (adjusted for the sale of the BPO operations). Operating losses stood at Rs. 5 crores (compared to a loss of Rs. 5 crores in Q3 FY10).

- Bangalore and Kolkata Yellow Pages were released during the quarter.

VI. Capital18 companies grew their consolidated revenues to ~ Rs. 43 crores (excluding DEN) during the quarter (a growth of 56% compared to the same quarter last year).

VII. Performance of New TV18 (Pro forma) – Comparison with last year (Q3 FY10)

| | Q3 FY11 | | | Q3 FY10 | | | % Growth | |
|----------------------|------------|-----------|-----------------|------------|-----------|-----------------|------------|-------------|
| | Revenues | EBITDA | EBITDA Margin % | Revenues | EBITDA | EBITDA Margin % | Revenues | EBITDA |
| TV | 315 | 55 | 17% | 261 | 25 | 10% | 21% | 118% |
| <i>Business News</i> | 79 | 23 | 29% | 67 | 17 | 25% | 17% | 36% |
| <i>IBN</i> | 236 | 32 | 14% | 193 | 9 | 4% | 22% | 275% |

VIII. Performance of New TV18 (Pro forma) – Comparison with last quarter (Q2 FY11)

| | Q3 FY11 | | | Q2 FY11 | | | % Growth | |
|----------------------|------------|-----------|-----------------|------------|-----------|-----------------|------------|-------------|
| | Revenues | EBITDA | EBITDA Margin % | Revenues | EBITDA | EBITDA Margin % | Revenues | EBITDA |
| TV | 315 | 55 | 17% | 257 | 23 | 9% | 22% | 141% |
| <i>Business News</i> | 79 | 23 | 29% | 68 | 21 | 31% | 16% | 8% |
| <i>IBN</i> | 236 | 32 | 14% | 189 | 2 | 1% | 25% | 1792% |

Television Eighteen India Limited:
Consolidated Financial Performance for the Quarter Ended 31st December, 2010
(Rs Cr)

| Particulars | Q3 2010-11 | Q3 2009-10 | Q2 2010-11 | FY 2009-10 |
|-----------------|------------|------------|------------|----------------|
| | | | | <i>Audited</i> |
| REVENUES | 147 | 129 | 145 | 553 |

Part I: News Operations

(Rs Cr)

| Particulars | Q3 2010-11 | Q3 2009-10 | Q2 2010-11 | FY 2009-10 |
|---|-------------|---------------|-------------|----------------|
| | | | | <i>Audited</i> |
| REVENUES: NEWS OPERATIONS | 79 | 67 | 68 | 273 |
| Operating Expense (incl CNBC revenue share) | 56 | 51 | 47 | 223 |
| Operating Profit | 23 | 17 | 21 | 50 |
| Operating Margin | 29% | 25% | 31% | 18% |
| Other Income | | 0 | 0 | 22 |
| Depreciation | 6 | 5 | 4 | 20 |
| Interest (Net) | (0) | (22) | (0) | (89) |
| Prior Period and Exceptional Items | | 4 | 0 | (4) |
| Total Profit Before Tax, Minority Interest, ESOP Charge Out & Exchange Fluctuations | 17 | (15) | 16 | (41) |
| Provision for Current Tax/FBT | 4 | 0 | 7 | 0 |
| Profit After Tax (before Minority Interest, ESOP charge out & Exchange Fluctuations) | 12 | (15) | 9 | (41) |
| Minority Interest | 0 | | 0 | 0 |
| Share in Loss of Associates | 0 | | 0 | 0 |
| Profit After Tax and Minority Interest | 12 | (15) | 9 | (41) |
| ESOP charge out & Exchange Fluctuations | 0 | 5 | 1 | 13 |
| Profit After ESOP Charge Out & Exchange Fluctuations | 12 | (20) | 9 | (55) |
| Provision for Deferred Tax | 1 | 1 | 2 | 5 |
| Net Profit After Deferred Tax | 11 | (21) | 6 | (60) |
| Paid up Equity Share Capital | 91 | 68 | 90 | 68 |
| EPS (Rs.) | 0.02 | (1.56) | 0.01 | (4.42) |

**Television Eighteen India Limited:
Consolidated Financial Performance for the Quarter Ended 31st December, 2010**

Part II: Web18

(Rs Cr)

| Particulars | Q3 2010-11 | Q3 2009-10 | Q2 2010-11 | FY 2009-10 |
|-----------------------------|------------|--------------|-------------|----------------|
| | | | | <i>Audited</i> |
| REVENUES: OPERATIONS | 22 | 20 | 19 | 73 |
| Operating Expense | 22 | 22 | 20 | 82 |
| Operating Profit | (0) | (3) | (1) | (9) |
| Operating Margin | 0% | (14%) | (3%) | (13%) |

**Television Eighteen India Limited:
Consolidated Financial Performance for the Quarter Ended 31st December, 2010**

Part III: Newswire18

(Rs Cr)

| Particulars | Q3 2010-11 | Q3 2009-10 | Q2 2010-11 | FY 2009-10 |
|-----------------------------|------------|------------|------------|----------------|
| | | | | <i>Audited</i> |
| REVENUES: OPERATIONS | 10 | 8 | 10 | 33 |
| Operating Expense | 9 | 8 | 10 | 31 |
| Operating Profit | 2 | 1 | 0 | 2 |
| Operating Margin | 17% | 6% | 1% | 6% |

Television Eighteen India Limited:
Consolidated Financial Performance for the Quarter Ended 31st December, 2010

Part IV: Infomedia18 (and other print operations)

(Rs Cr)

| Particulars | Q3 2010-11 | Q3 2009-10 | Q2 2010-11 | FY 2009-10 |
|---|------------|------------|-------------|----------------|
| | | | | <i>Audited</i> |
| REVENUES: OPERATIONS | 36 | 33 | 48 | 174 |
| Operating Expense | 41 | 38 | 57 | 191 |
| Operating Profit | (5) | (5) | (9) | (17) |
| Operating Margin | -14% | -15% | -19% | -10% |
| Depreciation | 1 | 2 | 2 | 8 |
| Interest (Net) | (1) | (2) | (1) | (9) |
| Total Profit Before Tax and Minority Interest | (7) | (9) | (11) | (34) |
| Prior Period and Exceptional items | (0) | 0 | 5 | 0 |
| Total Profit Before Tax, Minority Interest, ESOP Charge Out & Exchange Fluctuations | (7) | (9) | (16) | (34) |
| Provision for Current Tax/FBT | 0 | 0 | 0 | 1 |
| Profit After Tax (before Minority Interest, ESOP charge out & Exchange Fluctuations) | (7) | (9) | (16) | (34) |
| Minority Interest | (0) | 0 | (0) | (16) |
| Profit After Tax and Minority Interest | (7) | (9) | (16) | (18) |
| ESOP charge out & Exchange Fluctuations | 1 | (4) | (0) | (14) |
| Profit After ESOP Charge Out & Exchange Fluctuations | (8) | (6) | (16) | (4) |
| Provision for Deferred Tax | 0 | 0 | (0) | (1) |
| Net Profit after Deferred Tax | (8) | (6) | (15) | (4) |

Note: Digital18 revenues and expenses have been consolidated in Infomedia.

Television Eighteen India Limited:
Consolidated Financial Performance for the Quarter Ended 31st December, 2010
(Rs Cr)

| Particulars | Q3 2010-11 | Q3 2009-10 | Q2 2010-11 | FY 2009-10 |
|---|-------------|---------------|---------------|----------------|
| | | | | <i>Audited</i> |
| REVENUES | 147 | 129 | 145 | 553 |
| Operating Expense (incl CNBC revenue share) | 127 | 120 | 133 | 527 |
| Operating Profit | 19 | 9 | 12 | 26 |
| Operating Margin | 13% | 7% | 8% | 0% |
| Other Income | 0 | 0 | 0 | 22 |
| Depreciation | 11 | 12 | 10 | 49 |
| Interest (Net) | (0) | (25) | (2) | (101) |
| Prior Period and Exceptional items | (0) | 9 | 5 | (9) |
| Total Profit Before Tax, Minority Interest, ESOP Charge Out & Exchange Fluctuations | 9 | (37) | (5) | (112) |
| Provision for Current Tax/FBT | 4 | 0 | 7 | 2 |
| Profit After Tax (before Minority Interest, ESOP charge out & Exchange Fluctuations) | 4 | (37) | (12) | (114) |
| Minority Interest | (0) | 1 | 1 | (24) |
| Share in Loss of associates | 4 | 2 | (3) | (23) |
| Profits After Tax and Minority Interest (before ESOP charge out) | 8 | (40) | (14) | (113) |
| ESOP charge out & Exchange Fluctuations | 1 | 2 | 1 | (0) |
| Profit After ESOP Charge Out & Exchange Fluctuations | 7 | (42) | (15) | (113) |
| Provision for Deferred Tax | 1 | 1 | 2 | 5 |
| Net Profit After Deferred Tax | 6 | (43) | (17) | (117) |
| Paid up Equity Share Capital | 91 | 68 | 90 | 68 |
| EPS (Rs.) | 0.34 | (3.08) | (0.04) | (8.68) |

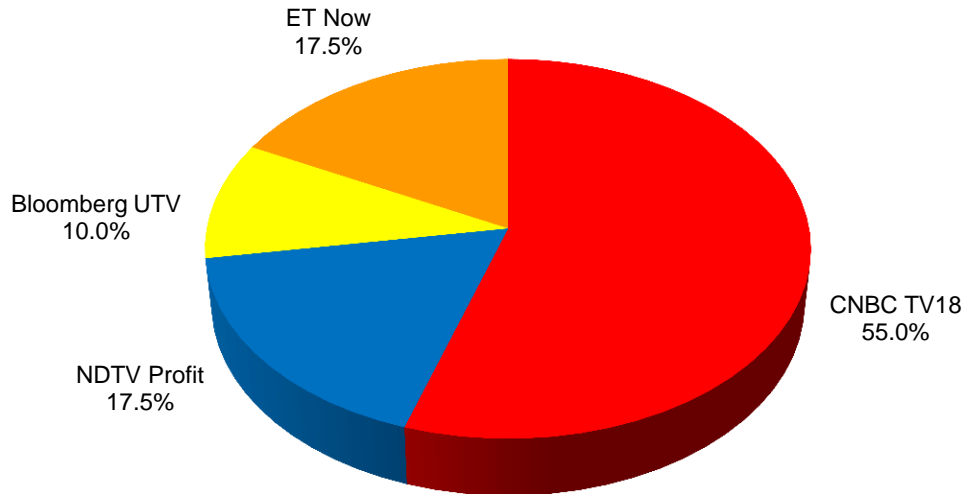
NET DEBT POSITION TABLE

| <i>All Values in Rs Cr</i> | Gross Debt | | Cash & Equivalents (Liquid Mutual Funds) | | Net Debt | | Net Debt Net of Working Capital | |
|----------------------------|--------------|--------------|--|--------------|--------------|--------------|---------------------------------|--------------|
| | Dec 31, 2010 | Sep 30, 2010 | Dec 31, 2010 | Sep 30, 2010 | Dec 31, 2010 | Sep 30, 2010 | Dec 31, 2010 | Sep 30, 2010 |
| TV18 | 765 | 773 | 119 | 200 | 646 | 573 | 341 | 292 |
| IBN18 | 384 | 349 | 102 | 266 | 281 | 82 | (44) | (229) |

Note: Numbers are for the consolidated entities

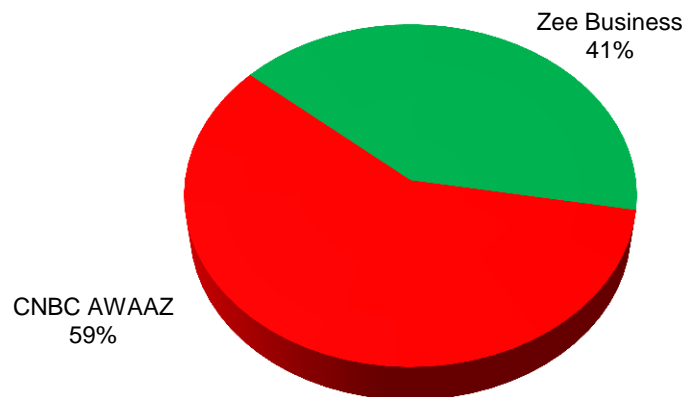
APPENDIX – KEY MARKET SHARE TRENDS

CNBC-TV18: UNDISPUTED LEADERSHIP IN ENGLISH BUSINESS NEWS



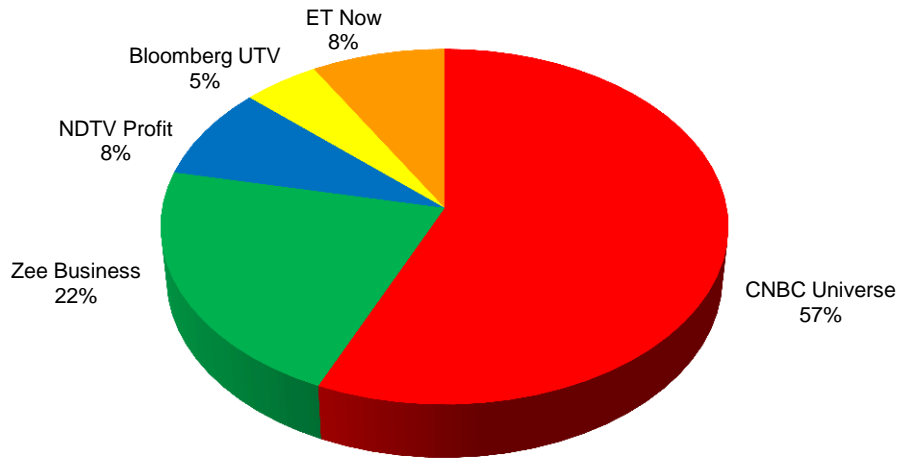
Source: TAM, Channel Share, TG: CS AB Male 25+, Market: All India, Time Period: 1st Oct – 25th Dec '10, All Days 0600-2400 hrs

CNBC AWAAZ: INDIA'S NO 1 HINDI BUSINESS NEWS CHANNEL



Source: TAM, Market Share, TG: CS AB Male 25+, Market: HSM, Time Period: 1st Oct – 25th Dec '10, All Days 0600-2400 hrs

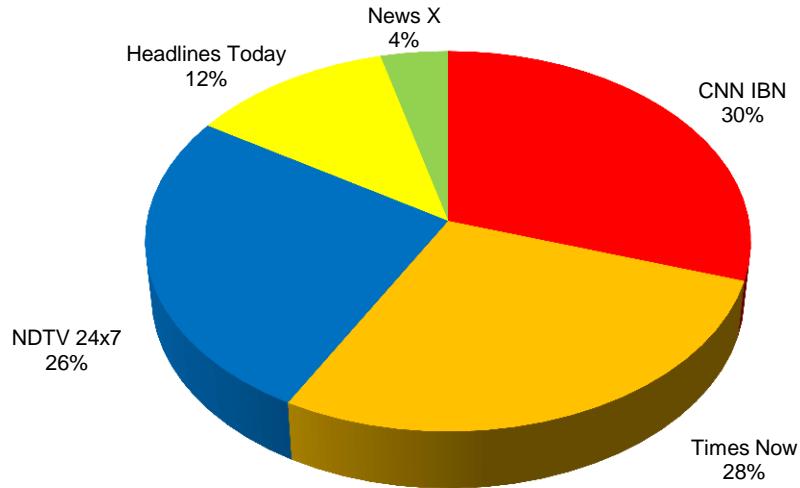
CNBC TV18 and CNBC AWAAZ – DEFINING BUSINESS NEWS



Source: TAM, Market Share, TG: CS AB Male 25+, Market: All India, Time Period:: 1st Oct – 25th Dec '10, All Days 0600-2400 hrs

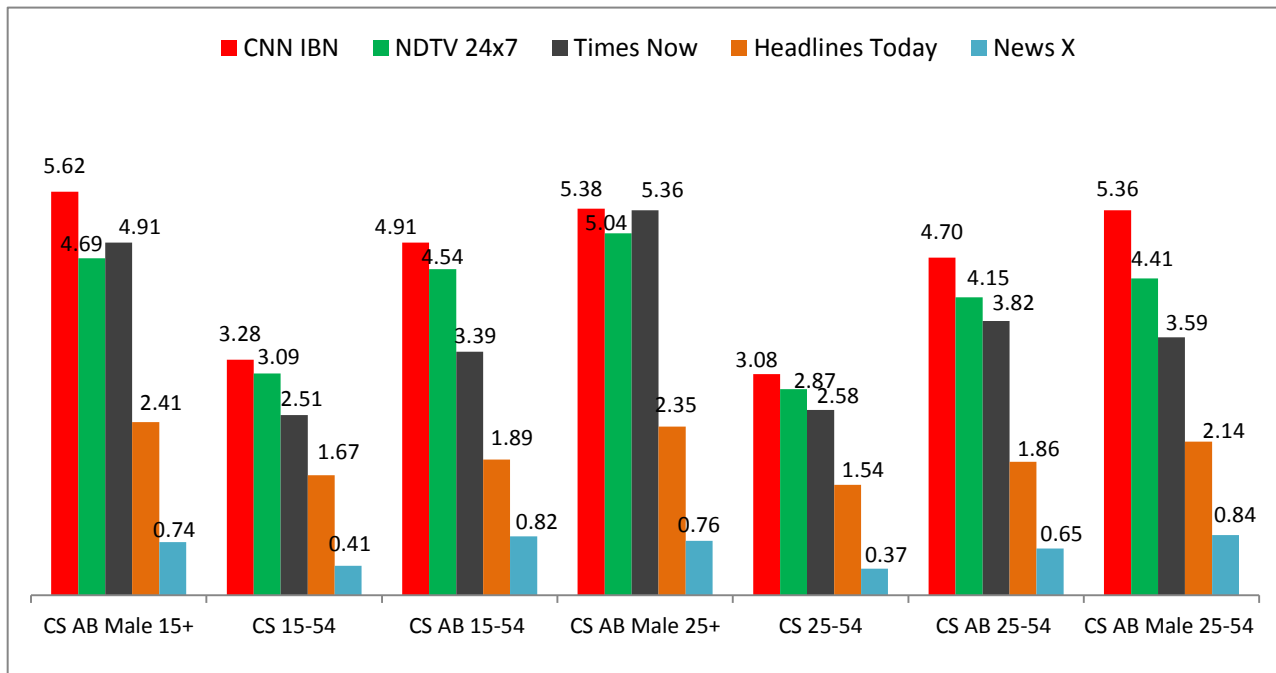
Out of Home: Please note that the existing TV viewership measurement mechanisms though essential do not capture the actual audience delivery for a media platform like CNBC TV18 and CNBC AWAAZ. The CNBC TV18 and CNBC AWAAZ services have a large out of home (OOH) viewership especially in corporate offices, institutions, business areas, markets, etc. The CNBC Universe reach is much higher when the above OOH viewership is taken into account.

CNN-IBN: INDIA'S NO 1 ENGLISH NEWS CHANNEL



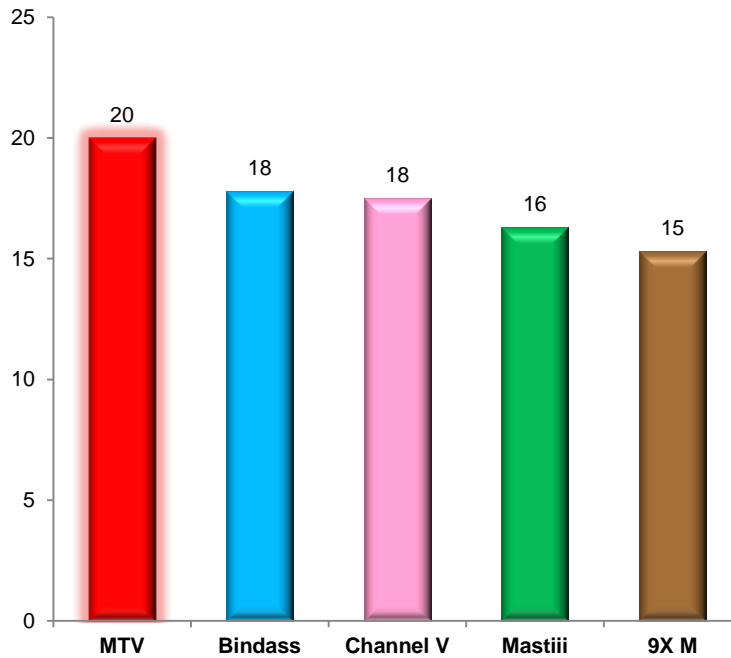
Source: TAM; TG: CS AB 25+ Yrs; Market: All India; Period: Q3 FY2011, 0600-2400, All Days

CLEAR MARKET LEADER ACROSS ALL SEGMENTS ON KEY NEWS DAYS
BIHAR ELECTIONS



Source: TAM; Market: All India; 21, 24, 28 Oct and 01, 09, 20 and 24 Nov 2010

MTV: INDIA'S NO 1 YOUTH BRAND
Highest Reach (Average Weekly) in the Genre

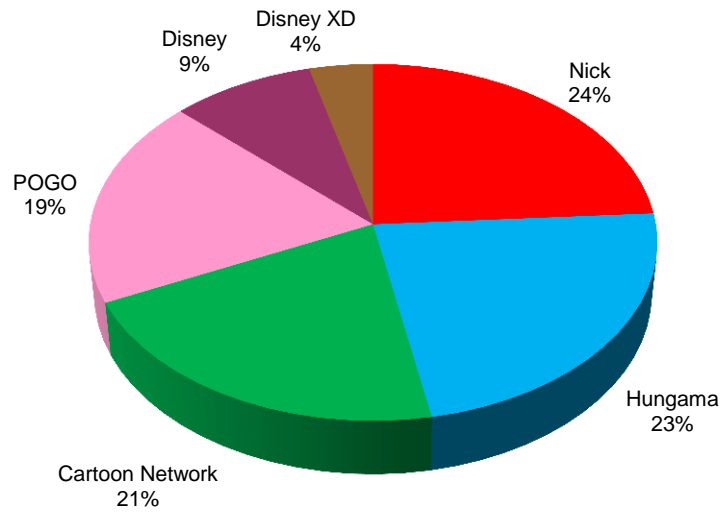


Source: TAM; TG: CS, 15-24 AB; Market: HSM; Period: Q3 FY2011

- MTV revealed its new philosophy – ‘Stay Raw’ - in line with the changing values of the Youth.
- MTV launched ‘Splitsvilla 4’ – The Gamble of Love and MTV Bakra returned to rock the charts.



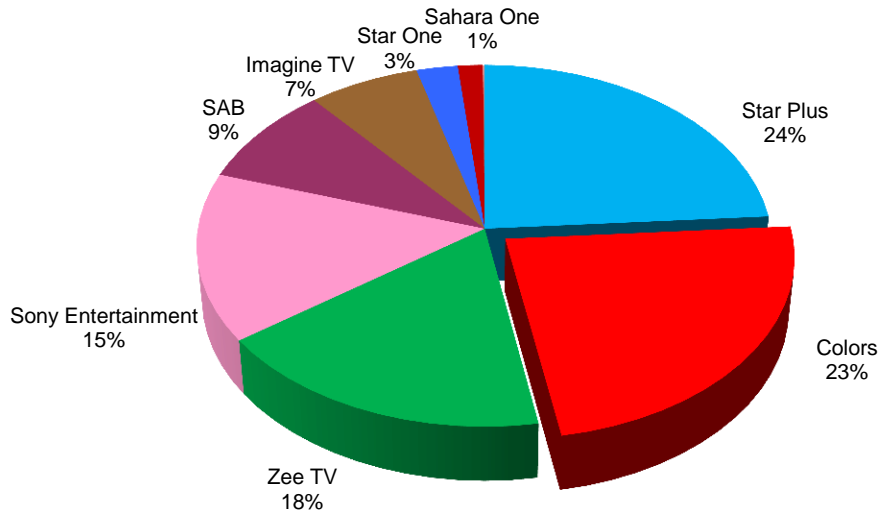
NICK: INDIA'S NO 1 KIDS CHANNEL



Source: TAM; Relative Market Share: HSM; TG: CS 4-14 ABC; Period: Q3 FY2011, Time: 0700-2200Hrs.

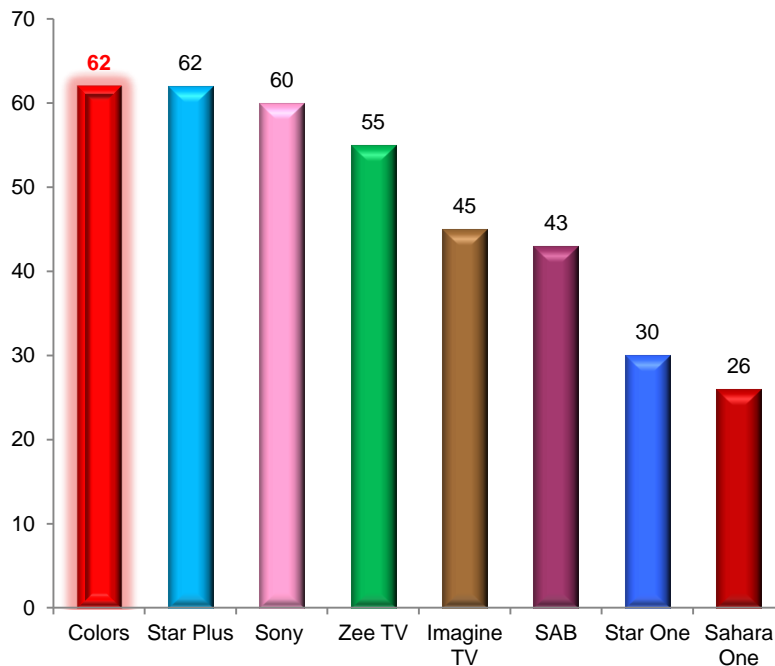
- Nick dominates the Kids' category as the No. 1 player with 24% share in Hindi Speaking Markets.
- Our popular shows 'Ninja Hattori' and 'Oggy & the Cockroaches' lead the category.

COLORS – The Preferred Choice for General Entertainment in India

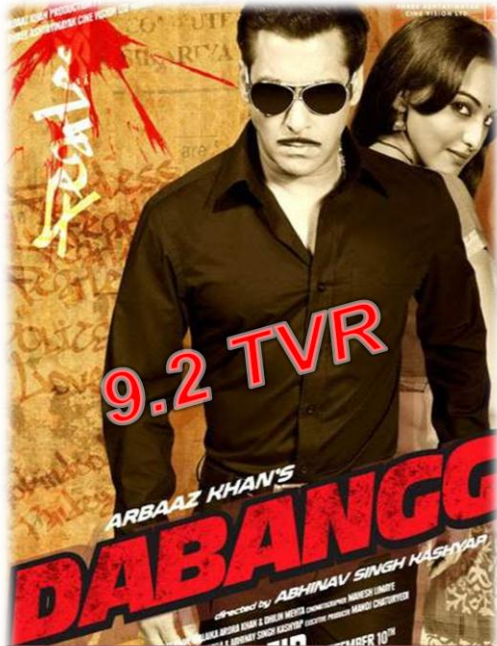


Source: TAM; Hindi Speaking Markets; TG: CS 4+; Q3 FY2011: Prime Time Share 2000-2359 hrs, All Days

COLORS – Highest Reach (Weekly AVERAGE) among GECs



COLORS - ROBUST PERFORMANCE ACROSS FICTION, REALITY AND MOVIES



Highest Rated Premiere On Colors in 2010



Bigg Boss – 4 had a phenomenal run

One of the most successful reality shows on Indian Television



No. 1 Shows in Their Respective Slots

INVESTOR COMMUNICATION:

Network18's ongoing investor communication endeavors to adopt best international practices and the quarterly investor updates are designed to regularly provide detailed information to investors. Each update covers information pertaining to the reporting period under review. If you would like to get a sequential and continued perspective on the company this report should be read along with the updates sent out earlier. The previous updates can be accessed on request from the contact persons mentioned below, or from the company's website www.network18online.com. This update covers the company's financial performance for Q3 FY 2010-11.

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Further information on the company is available on its website www.network18online.com

Network 18

