

Network **18** Optimizing For Growth



Objectives

Align for Synergy

Simplify Structure

Unlock Value

Two Focused Listed Entities

Guiding Principles

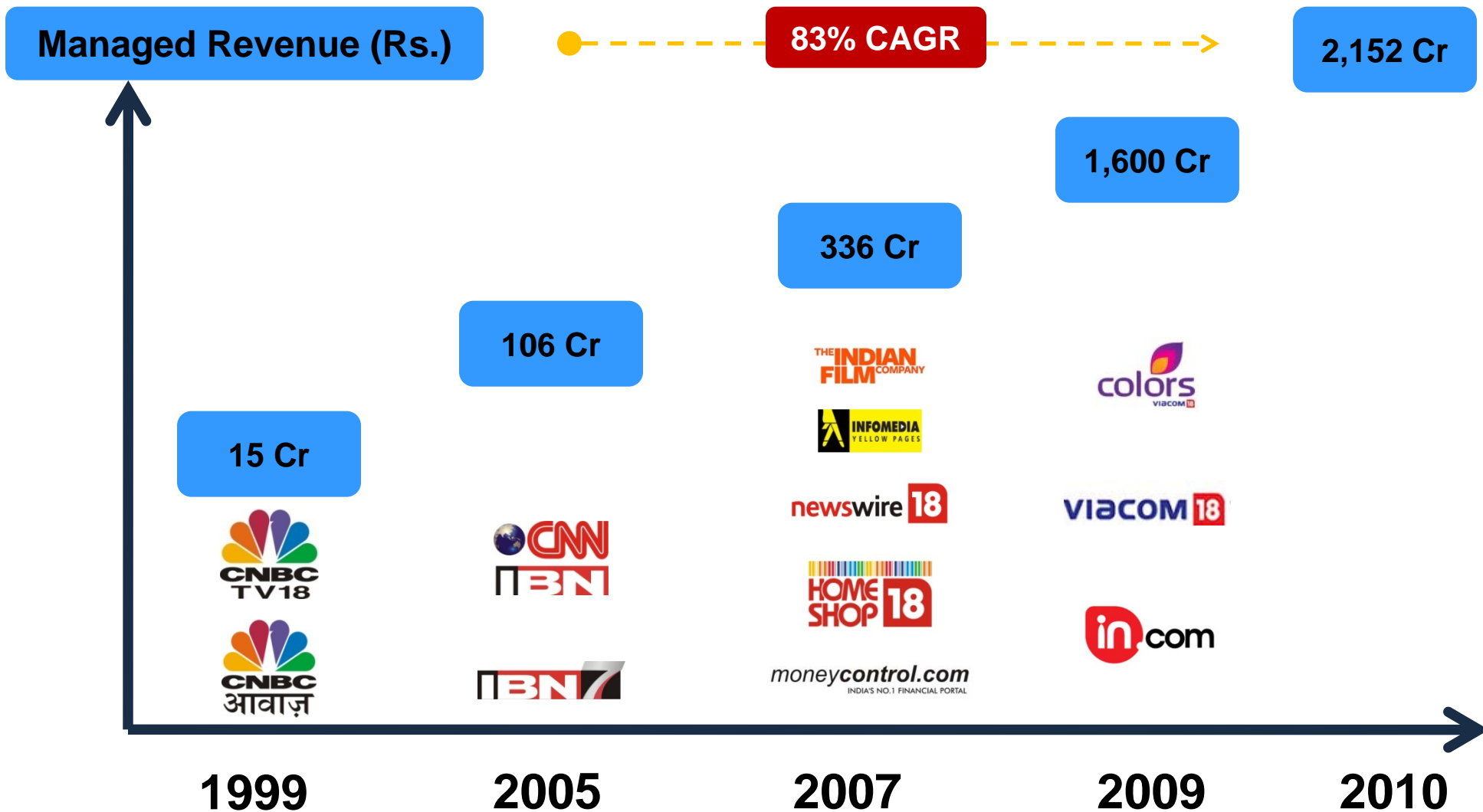
Market cap neutrality

Independent Valuer: Grant Thornton

Consolidate operations for synergy

Scheme effective 1st April 2010

Network18 Growth: 1999 - 2010



Leadership Across Businesses

Television



Hindi GEC



Business News



Business News (Hindi)



English News



Youth & Music



Kids



International/ Entertainment



HomeShopping

Film



New Age Motion Pictures

Print



Yellow Pages & Local Information

Web



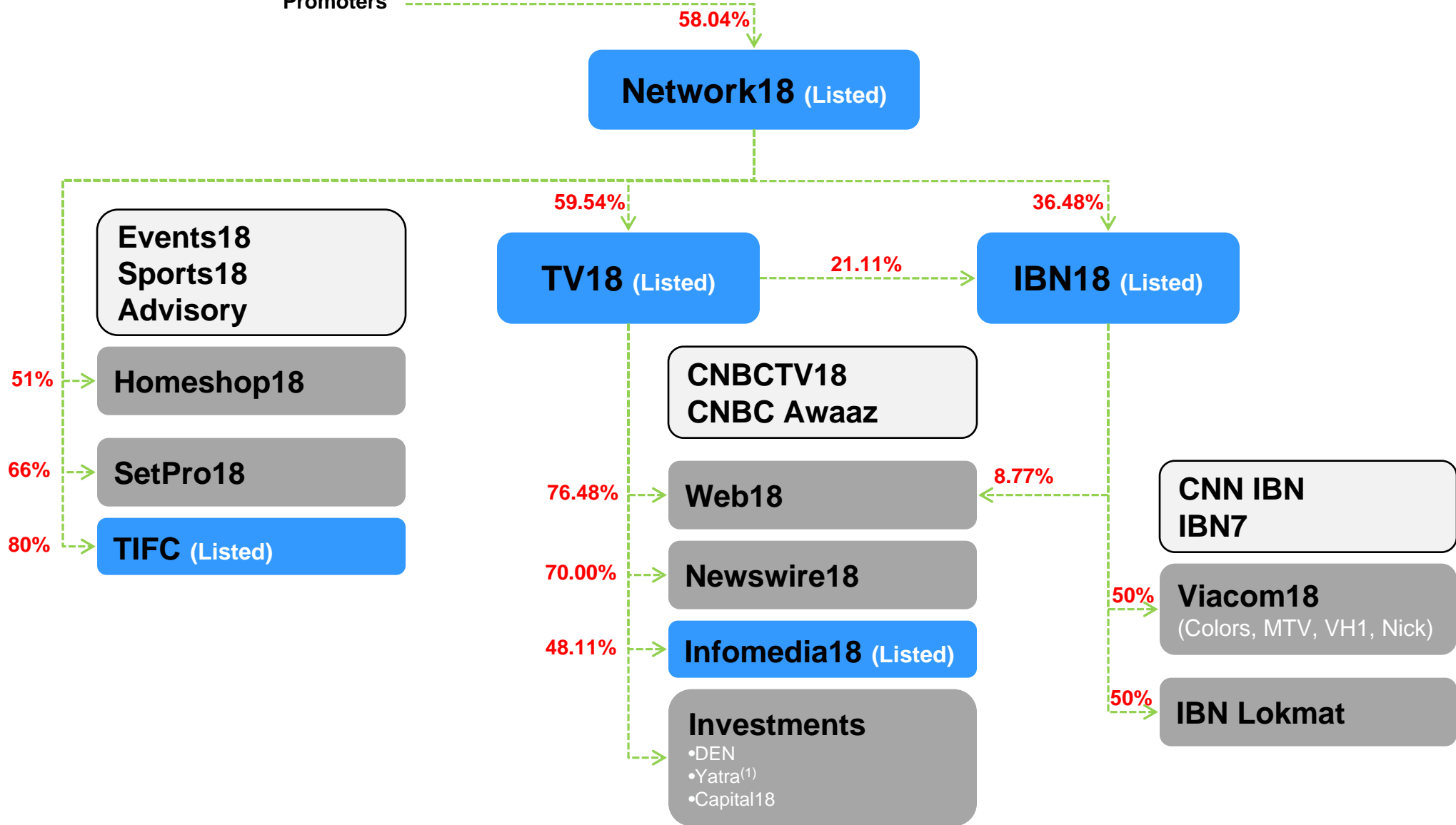
Business Portal



Portal

Current Group Structure

Promoters



Optimizing for Growth

GOAL

2 Listed companies

- TV company “NEW TV18”
- Network18: Digital Assets + Control in TV18

TV Business

- TV18’s business news operations de-merged to IBN18
- IBN18 becomes “NEWTV18”

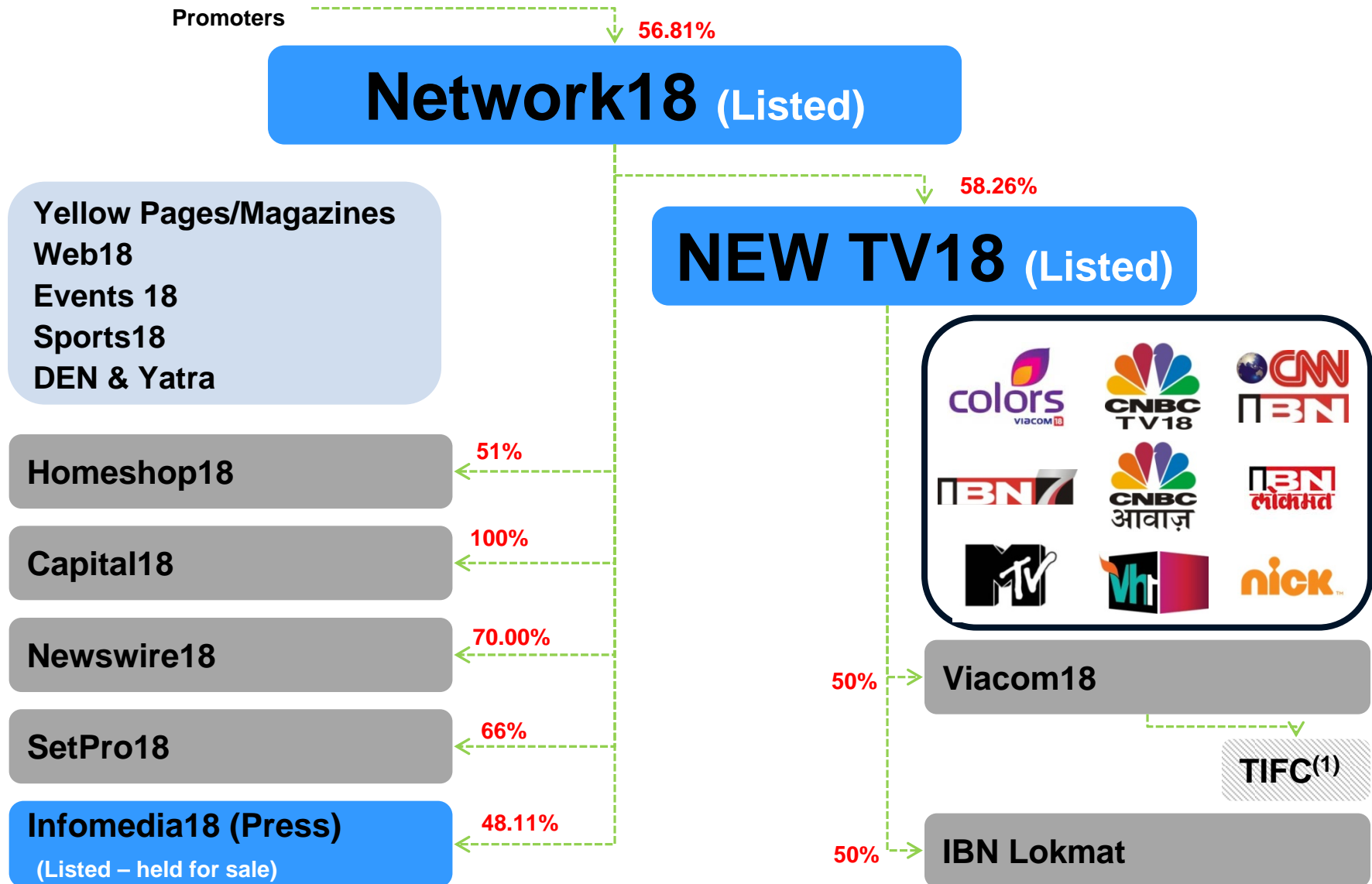
All Other Media

- Network18 becomes operating company for digital / publishing businesses
- Network18 holds controlling interest in “NEWTV18”

Infomedia18

- Local search & magazines de-merged to Network18
- Printing press operations continues in listed entity (held for sale under Network18)

New Structure: Network18 & NewTV18



Swap Ratios

TV18	New Shares
1 Share of TV18	0.68 Share of IBN18
	(+)
	0.13 Share of Network18

Infomedia18	New Shares
1 Share of Infomedia18	Retain 1 Share of Infomedia18
	(+)
	0.14 Share of Network18

Independent Valuation by Grant Thornton

TV18 Shareholder: Value Preserved

Shares	Share Held	New Shares	
Company	TV18	IBN18	Network18
Number	1	0.68	0.13
Value	In Rs.	In Rs.	
CMP	97	93	
3M Avg	83	81	
6M Avg	81	83	

Updated as on 5 July 2010

Infomedia18 Shareholder: Well Placed

Shares	Share Held	New Shares	
Company	Infomedia18	Infomedia18	Network18
Number	1	1	0.14
Value	In Rs.	In Rs.	
CMP	34	Retain the Existing Share of Infomedia + Rs 22	
3M Avg	31	Retain the Existing Share of Infomedia + Rs 22	
6M Avg	33	Retain the Existing Share of Infomedia + Rs 18	

Updated as on 5 July 2010

IBN18 (NEW TV18): Ownership

Shareholding (#)	Current	New
Promoter	13,67,06,390	20,96,78,163
Public	10,06,53,212	15,02,40,176
Total	23,73,59,602	35,99,18,339

Shareholding (%)	Current	New
Promoter	57.59%	58.26%
Public	42.41%	41.74%
Total	100%	100%

IBN18 (NEW TV18): Balance Sheet

All Values in Rs Cr

Balance Sheet (STANDALONE)	FY2010*	Pro Forma
Sources of Funds	1,218	1,445
Equity	924	842
Debt	293	603
Application of Funds	1,218	1,445
Fixed Assets (Net Block)	75	151
Investments	465	469
Cash & Equivalents	405	507
Net Current Assets	85	218
P&L A/c	188	100
Metrics		
Net Debt	(111)	96
Debt/ Equity	0.32	0.72
Net Debt/ Equity	-0.12	0.11
(Net Debt – NCA) / Equity	-0.21	-0.14

Viacom18

* Assumes completion of rights issue

Network18: Ownership

Shareholding (#)	Current	New
Promoter	6,71,31,622	8,10,82,108
Promoter Stake		6,94,95,344
Treasury Stake		1,15,86,764
Public	4,85,41,891	6,16,32,717
Total	11,56,73,513	14,27,14,825

Shareholding (%)	Current	New
Promoter	58.04%	56.81%
Promoter Stake	58.04%	48.69%
Treasury Stake	0%	8.12%
Public	41.96%	43.19%

Network18: Balance Sheet

All Values in Rs Cr

Balance Sheet (STANDALONE)	FY2010*	Pro Forma
Sources of Funds	1,646	2,491
Equity	1,138	1,421
Debt	508	1,070
Application of Funds	1,646	2,491
Fixed Assets (Net Block)	3	32
Investments	1,032	1,570
Cash & Equivalents	92	435**
Net Current Assets	470	454
P&L A/c	50	0
Metrics		
Net Debt	416	635
Debt/ Equity	0.45	0.75
Net Debt/ Equity	0.37	0.45
(Net Debt – NCA) / Equity	-0.05	0.13

Offset by liquid investments

- 7.55% in DEN
- 8.12% treasury stake in Network18
- 7.26% headroom in NewTV18
- 17% stake in Yatra

*Assumes completion of ibn18 rights issue

** Additional cash of Rs 208 cr available in operating subsidiaries like HomeShop18 and others

Steps & Timeline

Steps	Timeline
Board approval of scheme	07 July 2010 (D)
Submission to Stock exchanges for approval	D + 1 to 2 Months
Shareholder approval	D + 3 to 4 Months
High court approval	D + 4 to 5 Months
Listing new shares with stock exchanges	D + 7 to 9 Months
Total process expected to take between 7 to 9 months	
<i>Note: Financials filings will have dual reporting till process is completed</i>	

Summary

Focused Businesses

Simplified Structure

Strengthen Value for Shareholders

Key Advisors

FINANCIAL & TRANSACTION ADVISOR

BMR ADVISORS

INDEPENDENT VALUER

GRANT THORNTON

Network Optimizing For Growth

APPENDIX



NewTV18: Play on Digitization of Indian HH

1. Company is one of India's leading TV broadcasters
2. India's largest news network - Business (CNBC) and General News (IBN)
3. Market dominating brands in business news and leadership in general news
4. Country's leading entertainment network catering to mainstream, youth and kids
5. NewTV18 bouquet has highest number of #1 channels in the country
6. Company is already a leading TV company by ad revenue despite much lesser number of channels than competition
7. Subscription opportunity beckons as NewTV18 lags competitors like Star, Zee and Sony due to newness of channels and lack of legacy
8. Leadership positions, strength of bouquet and digitization of Indian HH will allow New TV18 to close the subscription gap within 1-2 years
9. Company is financially very strong with a sound balance sheet (almost zero debt)
10. Clarity on growth path – all future Network18 television launches to be done by NEWTV18

Subscription Gap To Be Bridged

All Values in Rs Cr

Pro forma (FY10)	Ad Revenue	Subscription Revenue	Total Revenue	EBITDA	Market Cap
ZEEL+ZNL ⁽¹⁾	~1,500	~1050	2,725	699	~14,500
NewTV18 ⁽²⁾	~1200	~120	1,330	8	

75%

11%

Subscription revenue is the key delta leading to difference in profitability

	Ad Revenue	No. of TV Channels	Presence
ZEEL+ZNL ⁽¹⁾	~1,500	33	GEC, Hindi Movies, Sports, English Movies, English Entertainment, Regional Language, International, Music & Lifestyle, General News, Business News
NewTV18	~1200	9	GEC, Music & Lifestyle, Kids, General News, Business News

Notes: (1) Zee Entertainment Enterprises Limited + Zee News Limited financials are on a reported basis

(2) New TV18 financials are on a managed basis

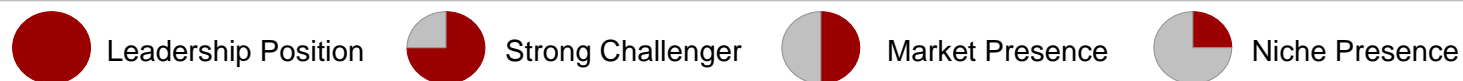
N18: Fastest Growing Media Group in India

1. Company has emerged as a leading media group across segments – TV, Digital, Films, Magazines, Yellow Pages, Home Shopping, Data Terminals and Events
2. Company has controlling interest in India's leading broadcaster NewTV18 and presence in multiple high potential digital businesses
3. Reaches 300 mn Indians across various touch points everyday – unmatched ability to leverage audiences across platforms
4. Best positioned to leverage on structural shift to digital (internet and mobile)
5. To benefit from increasing subscription based revenue models
6. Device proliferation and multi-platform media consumption multiplies value of leader brands
7. Unmatched content creation ability is a major asset in the converging world of media platforms and devices
8. Portfolio of market leading businesses across media is unmatched in peer group

Uniquely Positioned Across Media

Company	Television	Print	Films	Home Shopping	Digital
Network 18					
STAR					
NDTV					
UTV					

Legend



Presence across all media platforms with leadership position in 3 platforms

Disclaimer

Certain statements in this presentation describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are identified, by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements.

Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.