

**NETWORK18 MEDIA & INVESTMENTS LTD**  
REVIEWED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE, 2011

Rs. in lakhs

Particulars	Consolidated			Standalone		
	Quarter ended 30.06.2011	Quarter ended 30.06.2010	Year ended 31.03.2011	Quarter ended 30.06.2011	Quarter ended 30.06.2010	Year ended 31.03.2011
	(Reviewed)	(Reviewed)	(Audited)	(Reviewed)	(Reviewed)	(Audited)
<b>1. Revenue</b>	<b>36,339.27</b>	<b>31,790.45</b>	<b>148,408.23</b>	<b>1,509.55</b>	<b>586.56</b>	<b>3,990.66</b>
(a) Revenue from operations	35,758.09	31,446.76	146,776.66	1,509.55	586.56	3,990.66
(b) Other Operating Income	581.18	343.69	1,631.57	-	-	-
<b>2. Expenditure</b>	<b>39,453.32</b>	<b>33,472.77</b>	<b>150,778.12</b>	<b>2,979.08</b>	<b>911.43</b>	<b>5,661.83</b>
(a) Operating expenditure	28,605.34	23,842.82	107,520.39	1,978.80	591.23	4,265.94
(b) Material Consumed	803.85	530.65	3,032.33	-	-	-
(c) Staff costs (Including Stock Options Chargeout)	8,659.31	7,507.51	34,052.91	840.24	311.46	1,344.54
(d) Depreciation and non cash write offs	1,384.82	1,591.80	6,172.50	160.04	8.74	51.36
<b>3. Profit(Loss) from operations before interest and other Income</b>	<b>(3,114.05)</b>	<b>(1,682.32)</b>	<b>(2,369.89)</b>	<b>(1,469.53)</b>	<b>(324.87)</b>	<b>(1,671.17)</b>
<b>4. Other Income</b>	<b>3,003.43</b>	<b>2,709.16</b>	<b>20,600.59</b>	<b>1,257.27</b>	<b>585.80</b>	<b>2,731.19</b>
<b>5. Profit (Loss) before Interest and exceptional items and tax</b>	<b>(110.62)</b>	<b>1,026.84</b>	<b>18,230.70</b>	<b>(212.26)</b>	<b>260.92</b>	<b>1,060.02</b>
<b>6. Interest &amp; Financial Charges</b>	<b>6,478.33</b>	<b>5,682.70</b>	<b>22,584.16</b>	<b>2,925.36</b>	<b>2,167.46</b>	<b>8,164.93</b>
<b>7. Profit after Interest but before Exceptional Items</b>	<b>(6,588.95)</b>	<b>(4,655.87)</b>	<b>(4,353.46)</b>	<b>(3,137.62)</b>	<b>(1,906.53)</b>	<b>(7,104.91)</b>
<b>8. (a) Exceptional Item</b>	<b>-</b>	<b>393.05</b>	<b>1,080.34</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Prior Period and Extra Ordinary Items</b>	<b>41.22</b>	<b>7.99</b>	<b>(19.69)</b>	<b>41.77</b>	<b>-</b>	<b>(67.55)</b>
<b>10. Profit (Loss) after Prior Period and Extra Ordinary Items, before tax</b>	<b>(6,630.17)</b>	<b>(5,056.90)</b>	<b>(5,414.11)</b>	<b>(3,179.39)</b>	<b>(1,906.53)</b>	<b>(7,037.36)</b>
<b>11. Provision for Taxation</b>	<b>313.43</b>	<b>466.57</b>	<b>3,313.50</b>	<b>-</b>	<b>0.75</b>	<b>(124.60)</b>
<b>12. Net Profit (Loss) for the year</b>	<b>(6,943.60)</b>	<b>(5,523.47)</b>	<b>(8,727.61)</b>	<b>(3,179.39)</b>	<b>(1,907.29)</b>	<b>(6,912.76)</b>
<b>13. Minority Interest</b>	<b>(492.95)</b>	<b>(1,988.07)</b>	<b>(5,059.19)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>14. Share In loss (Profit) of associates</b>	<b>33.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15. Net Profit (Loss) after tax and minority interest</b>	<b>(6,417.64)</b>	<b>(3,535.40)</b>	<b>(3,668.42)</b>	<b>(3,179.39)</b>	<b>(1,907.29)</b>	<b>(6,912.76)</b>
<b>16. Paid-up Equity Share Capital (Face value Rs. 5/-)</b>	<b>7,129.53</b>	<b>5,783.68</b>	<b>5,944.78</b>	<b>7,129.53</b>	<b>5,783.68</b>	<b>5,944.78</b>
<b>17. Reserves excluding revaluation reserves</b>			<b>83,217.39</b>			<b>83,217.39</b>
<b>18. EPS (Not annualised)</b>						
(a) Basic EPS before and after Extraordinary Items for the year and for the previous year (not to be annualized)	(5.29)	(3.06)	(3.17)	(2.63)	(1.65)	(5.97)
(b) Diluted EPS before and after Extraordinary Items for the year and for the previous year (not to be annualised)	(5.29)	(3.06)	(3.17)	(2.63)	(1.65)	(5.97)
<b>19. Aggregate of Public shareholding</b>						
(a) Number of Shares	59,957,465	48,541,891	50,360,270	59,957,465	48,541,891	50,360,270
(b) Percentage of Shareholding	42.05%	41.96%	42.35%	42.05%	41.96%	42.35%
(c) Face Value per share (Rs.)	5/-	5/-	5/-	5/-	5/-	5/-
<b>20. Promoter and Promoter group shareholding</b>						
a) Pledged/Encumbered						
-Number of shares	31,251,854	22,210,125	30,683,109	31,251,854	22,210,125	30,683,109
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	37.82%	33.08%	44.77%	37.82%	33.08%	44.77%
-Percentage of shares (as a % of the total share capital of the Company)	21.92%	19.20%	25.81%	21.92%	19.20%	25.81%
b) Non-encumbered						
-Number of shares	51,381,366	44,921,497	37,852,262	51,381,366	44,921,497	37,852,262
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	62.18%	66.92%	55.23%	62.18%	66.92%	55.23%
-Percentage of shares (as a % of the total share capital of the Company)	36.06%	38.84%	31.84%	36.06%	38.84%	31.84%

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SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED (STANDALONE)			
Particulars	Period ended 30.06.2011 (Reviewed)	Period ended 30.06.2010 (Reviewed)	Year ended 31.03.2011 (Audited)
<b>Segment Revenue</b>			
a) Event Management	343.34	239.84	2,144.96
b) Sports Management	348.32	220.16	1,542.61
c) Web Operations	802.26		
d) Advisory Services	15.63	126.56	303.09
<b>Total</b>	<b>1509.55</b>	<b>586.56</b>	<b>3990.66</b>
d) Other unallocable revenue	-		-
<b>Net Sales/Income from Operations</b>	<b>1,509.55</b>	<b>586.56</b>	<b>3,990.66</b>
<b>Segment Results</b>			
Profit(Loss) before tax and interest from each segment wise			
a) Event Management	(103.56)	(95.83)	(284.34)
b) Sports Management	(31.35)	(59.65)	(315.31)
c) Web Operations	(990.65)		
d) Advisory Services	(71.47)	65.16	(37.76)
<b>Total</b>	<b>(1,197.03)</b>	<b>(90.32)</b>	<b>(637.41)</b>
Less : 1) Interest	2,925.36	2,167.46	8,164.93
2) Other un-allocable Expenses	321.48	235.30	1,036.16
3) Other un-allocable Income	(1,264.48)	(585.80)	(2,926.14)
<b>Total profit before tax</b>	<b>(3,179.39)</b>	<b>(1,907.29)</b>	<b>(6,912.36)</b>
Provision for tax	-		0.40
<b>Profit after tax</b>	<b>(3,179.39)</b>	<b>(1,907.29)</b>	<b>(6,912.76)</b>
<b>Capital employed</b> (Segment Assets-Segment Liabilities)			
a) Event Management	322.30	(68.60)	659.66
b) Sports Management	191.04	(386.22)	164.61
c) Web Operations	1,608.72		
d) Advisory Services	57.09	(90.21)	402.66
e) Unallocated	138,567.49	115,561.12	116,804.59

**Notes:**

- The above financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on August 11, 2011.
- The Statutory Auditors have carried out a limited review of standalone and consolidated financial results of the Company for the quarter ended June 30, 2011 in accordance with Clause 41 of the Listing Agreement.
- This statement of financial results has been prepared by applying the accounting policies as adopted in the last Audited Annual Financial Statements for the year ended March 31, 2011.
- The Board of Directors of Company, on July 7, 2010 approved a Scheme of Arrangement ("the Scheme") with an overall objective of simplifying the corporate structure of the Network18 Group. The Scheme has been approved by Hon'ble High Court of Delhi on April 26, 2011. As per the Scheme approved by Hon'ble High Court of Delhi, the appointed date for the proposed restructuring is April 1, 2010 and the Scheme has been made effective on June 10, 2011. In pursuance of the Scheme "Business News Operations" comprising of 'CNBC TV18', 'CNBC Awaaz' channels and teleport business of Television Eighteen India Limited ("TV18"), a subsidiary of the Company, has been transferred to another subsidiary -viz. Ibn18 Broadcast Limited (now known as TV18 Broadcast Limited). The remaining TV18 (post demerger of "Business News Operations" of TV18) along with its investments stand merged with the Company. Further in consideration of the merger of remaining TV18 with Network18, the Company, on June 23, 2011, has issued 2,36,95,044 equity shares (in the ratio of 13 equity shares of Rs. 5/- for every 100 equity shares in TV18). Further in accordance with the Scheme 'Web Undertaking' of Web18 Software Services Limited and Television Eighteen Commoditiescontrol.com Limited, Care Websites Private Limited, RVT Investments Private Limited and Network18 India Holdings Private Limited have been merged into the Company. Effect of the Scheme and the fair valuations contemplated therein have been given in the above quarterly results on a provisional basis.  
The Board of Directors approved another Scheme of Arrangement on July 7, 2010 between the Company and Infomedia18 Limited ("Infomedia18") wherein the Business Directories business, Magazine publishing businesses and New Media business of Infomedia 18 Limited shall be demerged into the Company. The Company will issue 14 equity shares of Rs 5/- each for every 100 equity shares of Rs 10/- each in Infomedia18 to the shareholders of Infomedia18 as consideration of the said demerger. The Scheme has been approved by the shareholders and creditors (secured and unsecured) of both the Companies at their meetings held on February 23, 2011. The Appointed date for the proposed restructuring is April 1, 2010. The Scheme is subject to approval of the Hon'ble High Court of Delhi. Accordingly no effect of the Scheme has been given in these Standalone Unaudited Financial results for the quarter ended June 30, 2011.
- The Company did not receive any complaints from PCCPS holders / equity shareholders during the quarter ended June 30, 2011. There were no pending complaints at the beginning and at the end of the quarter.
- The Company raised Rs. 20,389.90 lakhs through Rights Issue of PCCPS of which Rs. 19,850.66 lakhs has been utilised till June 30, 2011 for the objects it was raised and the balance funds are temporarily invested in mutual funds and banks.
- The Company, on June 15, 2011, has allotted 18,691,585, 10% Secured Optionally Fully Convertible Debentures (SOFCDs) at the par value of Rs.160.50/-, to promoter group entities on a preferential basis. The holder(s) of SOFCDs would have a right to convert each SOFCD into one equity share of Rs.5/- each in the Company.
- The Statutory Auditors have qualified their report on standalone accounts in respect of remuneration paid to the Managing Director, being in excess of the limits prescribed in Schedule XIII of the Companies Act, 1956. **Management response:** The Central Government has partially accepted the Company's application for approval of the remuneration paid and the company has filed a representation requesting for reconsideration of the matter and approval is awaited.
- The Statutory Auditors have qualified their report on consolidated accounts in respect of (a) negative net worth of Infomedia 18 Limited and losses incurred by that company and the existence of a material uncertainty casting significant doubt on the Company's ability to continue as a going concern consequent to the proposed demerger of the Business Directories, New media and Publishing business of Infomedia 18 as per a Scheme of Arrangement and the likely disposal of its Printing business (b) Income tax demand of Rs 529.22 lakhs received by Infomedia 18 which is disputed by Infomedia 18 and the non provision in the financials for any liability in this respect. (c) remuneration paid to the Managing Director of Network 18, being in excess of the limits prescribed in Schedule XIII of the Companies Act, 1956. **Management response:** (a) Infomedia's Printing Press business may also be sold off but the management assessment confirms that the Company shall continue to be a going concern and shall be able to meet all its financial obligations. (b) In view of the legal advice received, the Company is of the opinion that the possibility of these cases being decided against Infomedia 18 and the demand crystallizing against Infomedia 18 is not probable and hence no provision is required (c) The Central Government has partially accepted the Company's application for approval of the remuneration paid and the company has filed a representation requesting for reconsideration of the matter and approval is awaited.
- Current quarter standalone figures are not comparable with the previous quarter figures due to the transfer of the 'Remaining business' of the erstwhile Television Eighteen India Limited and the 'Web Undertaking' of Web 18 to the company with effect from April 1, 2010. Similarly, the consolidated financials for the current quarter are not comparable with the previous period figures due to (a) effect being given of the Scheme of Arrangement referred to above and (b) non consolidation in the current quarter of the financials of The Indian Film Company, Guernsey and Film Investment Managers Limited, Mauritius, the financials of which were consolidated in the corresponding previous quarter.
- Comparable previous year figures have been regrouped, wherever necessary, to confirm to current year's presentation.

For NETWORK18 MEDIA & INVESTMENTS LTD

Place : Noida  
Dated: 11 August, 2011

Raghav Bahl  
Managing Director

Network18 Media & Investments Limited

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