

NETWORK18 MEDIA & INVESTMENTS LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2011

Rs. in lakhs

Particulars	Consolidated					Standalone				
	Quarter ended 30.09.2011	Quarter ended 30.09.2010	Half year ended 30.09.2011	Half year ended 30.09.2010	Year ended 31.03.2011	Quarter ended 30.09.2011	Quarter ended 30.09.2010	Half year ended 30.09.2011	Half year ended 30.09.2010	Year ended 31.03.2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue	42,535.35	35,479.90	78,874.62	67,270.35	148,408.23	1,620.05	801.61	3,129.60	1,388.17	3,990.66
(a) Revenue from operations	41,516.46	35,162.86	77,274.55	66,609.62	146,776.66	1,620.05	801.61	3,129.60	1,388.17	3,990.66
(b) Other Operating Income	1,018.89	317.04	1,600.07	660.73	1,631.57	-	-	-	-	-
2. Expenditure	48,566.83	36,706.70	88,020.15	70,179.48	150,778.12	3,001.26	1,311.92	5,980.34	2,223.36	5,661.83
(a) Production, Distribution and administration costs	35,372.58	25,616.33	63,977.92	49,459.15	107,520.38	1,974.21	978.48	3,953.01	1,569.71	4,265.93
(b) Material Consumed	535.02	1,141.22	1,338.87	1,671.87	3,032.33	-	-	-	-	-
(c) Staff costs (Including Stock Options Chargeout)	11,180.40	8,373.22	19,839.71	15,880.73	34,052.91	918.55	320.80	1,758.79	632.27	1,344.54
(d) Depreciation and amortisation	1,478.82	1,575.93	2,863.64	3,167.73	6,172.50	108.49	12.64	268.53	21.38	51.36
3. Loss from operations before interest, exceptional items and other income	(6,031.48)	(1,226.80)	(9,145.53)	(2,909.13)	(2,369.89)	(1,381.21)	(510.31)	(2,850.74)	(835.19)	(1,671.17)
4. Other Income	3,461.18	3,302.35	6,464.61	6,011.51	20,600.59	1,690.21	827.18	2,947.48	1,412.98	2,731.19
5. Profit / (Loss) before interest and exceptional items and tax	(2,570.30)	2,075.55	(2,680.92)	3,102.38	18,230.70	309.00	316.87	96.74	577.79	1,060.02
6. Interest & financial Charges	6,370.58	5,796.54	12,848.91	11,479.24	22,584.16	3,097.32	2,210.95	6,022.68	4,378.41	8,164.93
7. Loss after Interest but before exceptional items	(8,940.88)	(3,720.99)	(15,529.83)	(8,376.86)	(4,353.46)	(2,788.32)	(1,894.08)	(5,925.94)	(3,800.62)	(7,104.91)
8. Exceptional Item	-	489.03	-	882.08	1,080.34	-	-	-	-	-
9. Prior Period items	(44.26)	142.07	(3.04)	150.06	(19.69)	(43.24)	-	(1.47)	0.75	(67.55)
10. Profit / (Loss) after Prior Period items, before tax	(8,896.62)	(4,352.09)	(15,526.79)	(9,409.00)	(5,414.11)	(2,745.08)	(1,894.08)	(5,924.47)	(3,801.37)	(7,037.36)
11. Tax expense	189.23	1,197.85	502.66	1,664.42	3,313.50	72.01	-	72.01	-	(124.60)
12. Net Profit / (Loss)	(9,085.85)	(5,549.94)	(16,029.45)	(11,073.42)	(8,727.61)	(2,817.09)	(1,894.08)	(5,996.48)	(3,801.37)	(6,912.76)
13. Minority Interest	(2,100.96)	(1,969.44)	(2,593.91)	(3,957.51)	(5,059.19)	-	-	-	-	-
14. Share in (loss)/ Profit of associates	(41.65)	-	(8.64)	-	-	-	-	-	-	-
15. Net Profit / (Loss) after tax and minority interest	(7,026.54)	(3,580.50)	(13,444.18)	(7,115.91)	(3,668.42)	(2,817.09)	(1,894.08)	(5,996.48)	(3,801.37)	(6,912.76)
16. Paid-up Equity Share Capital (Face value Rs. 5/-)	7,132.33	5,783.68	7,132.33	5,783.68	5,944.78	7,132.33	5,783.68	7,132.33	5,783.68	5,944.78
17. Reserves excluding revaluation reserves	-	-	-	-	-	-	-	-	-	83,217.39
18. EPS										
(a) Basic EPS before and after Extraordinary items for the year and for the previous year	(4.93)	(3.10)	(10.20)	(6.15)	(3.17)	(1.98)	(1.64)	(4.55)	(3.29)	(5.97)
(b) Diluted EPS before and after Extraordinary items for the year and for the previous year	(4.93)	(3.10)	(10.20)	(6.15)	(3.17)	(1.98)	(1.64)	(4.55)	(3.29)	(5.97)
19. Aggregate of Public shareholding										
(a) Number of Shares	59,153,063	47,138,142	59,153,063	47,138,142	50,360,270	59,153,063	47,138,142	59,153,063	47,138,142	50,360,270
(b) Percentage of Shareholding	41.47%	40.75%	41.47%	40.75%	42.35%	41.47%	40.75%	41.47%	40.75%	42.35%
(c) Face Value per share (Rs.)	5/-	5/-	5/-	5/-	5/-	5/-	5/-	5/-	5/-	5/-
20. Promoter and Promoter group shareholding										
a) Pledged/Encumbered										
-Number of shares	50,749,867	31,810,125	50,749,867	31,810,125	30,683,109	50,749,867	31,810,125	50,749,867	31,810,125	30,683,109
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	60.78%	46.41%	60.78%	46.41%	44.77%	60.78%	46.41%	60.78%	46.41%	44.77%
-Percentage of shares (as a % of the total share capital of the Company)	35.58%	27.50%	35.58%	27.50%	25.81%	35.58%	27.50%	35.58%	27.50%	25.81%
b) Non-encumbered										
-Number of shares	32,743,653	36,725,246	32,743,653	36,725,246	37,852,262	32,743,653	36,725,246	32,743,653	36,725,246	37,852,262
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	39.22%	53.59%	39.22%	53.59%	55.23%	39.22%	53.59%	39.22%	53.59%	55.23%
-Percentage of shares (as a % of the total share capital of the Company)	22.95%	31.75%	22.95%	31.75%	31.84%	22.95%	31.75%	22.95%	31.75%	31.84%

NETWORK18 MEDIA & INVESTMENTS LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2011

Notes

1 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors of Network18 Media & Investments Limited ('the Company') at their respective meetings held on November 4, 2011.

2 The Statutory Auditors of the Company have reviewed the above standalone and consolidated financial results for the quarter and half year ended September 30, 2011.

3 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.

4 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, the appointed date for the restructuring is April 1, 2010 and the Scheme has been made effective on June 10, 2011. As a consequence 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 -ibn18 Broadcast Limited (now known as TV18 Broadcast Limited). The remaining TV18 (post demerger of "Business News Operations" of TV18) along with its investments stands merged with the Company. Further in consideration of the merger of remaining TV18 with the Company, on June 23, 2011, the Company has issued 2,36,95,044 equity shares to the shareholders of TV18 (in the ratio of 13 equity shares of Rs. 5/- for every 100 equity shares in TV18). In addition, 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. Based on accounting prescribed in the Scheme, the Company has fair valued its assets and liabilities and debited Rs. 63,346.91 Lakhs, the resultant impact to the Securities Premium Account, which otherwise as per Accounting Standards would have been debited to the Profit and Loss account.

Further, as mentioned above, the impact of fair valuation of assets and liabilities at Group level amounting to Rs 46,029.14 lakhs has been debited to the Securities Premium Account, which otherwise as per Accounting Standards would have been debited to the Profit and Loss account.

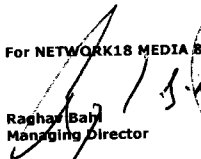
The Board of Directors approved another Scheme of Arrangement on July 7, 2010 between the Company and Infomedia18 Limited ("Infomedia18") wherein the Business Directories vertical, Magazine publishing vertical and New Media vertical of Infomedia 18 shall be demerged into the Company. The Company will 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 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 this second Scheme has been given in these Unaudited Financial results for the quarter and half year ended September 30, 2011.

The figures for the half year and quarter ended September 30, 2011 for the Company includes the income, expenses, assets and liabilities after considering the impact of the Scheme, whereas the corresponding figures for the previous period/ year comprised the income and expenses of the Company prior to the Scheme. Hence the figures for the current period are not strictly comparable with the corresponding previous period/ year.

- 5 The Company received three complaints from Partly Convertible Cumulative Preference Share holders (PCCPS)/ equity shareholders during the quarter ended September 30, 2011. There were no pending complaints at the beginning and at the end of the quarter.
- 6 The Company raised Rs. 20,389.90 lakhs through Rights Issue of PCCPS and out of that Rs. 19,975.75 lakhs has been utilized till September 30, 2011 for the objects for which it was raised and the balance funds are temporarily invested in mutual funds and with certain banks. Further pursuant to the Scheme, an amount of Rs 329.96 lakhs raised in the Rights issue of TV18, is still to be utilised and the same is currently placed in the interest bearing instruments.
- 7 During the quarter ended September 30, 2011, the Remuneration Committee of the Board of Directors of the Company has granted 422,736 options pursuant to the Scheme.
- 8 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.
- 9 The audit/review reports on annual/quarterly results for previous year/periods carried certain qualifications / reservations which have been resolved by, inter alia, the adjustments in (4) above, except for the following:
 (i) Managerial remuneration paid by the Company and one of its subsidiaries of Rs 309.16 lakhs in excess of limits prescribed under Schedule XIII to the Companies Act, 1956. The Company has filed an application with the Central Government for the reconsideration of the matter. Further that subsidiary company has filed an application with the Central Government for the reconsideration of the matter in respect of remuneration paid in the year ended March 31, 2008 and 2009.
 (ii) The Income tax demand of Rs 529.22 lakhs received by its subsidiary, Infomedia18, which continues to be disputed by Infomedia18. Infomedia 18 has filed an appeal before the higher authority and also has been legally advised that the possibility of matter being decided in favour of Infomedia18 is more likely than not.
- 10 The consolidated financial results include the results of the Company and of all its domestic and international subsidiaries.
- 11 Comparable previous year figures have been regrouped, wherever necessary, to confirm to current year's presentation.

Place : Noida
 Dated: 4 November, 2011

Network18 Media & Investments Limited
 Corp. Office: Express Trade Tower, Plot No. 15-16, Sector 16A, Noida, Uttar Pradesh - 201301
 T +91 120 4341818, 3987777 F +91 120 432 4107 W www.Network18online.com
 Regd. Office: 503, 504 & 507, 5th Floor, Mercantile House, 15 K G Marg, New Delhi-110001, India

For NETWORK18 MEDIA & INVESTMENTS LIMITED

 Raghu Bahl
 Managing Director



NETWORK18 MEDIA & INVESTMENTS LIMITED

Disclosure of assets and liabilities as per clause 41(1)(ea) of the listing agreement as on 30-September-2011

Particulars	(Rs. In Lacs)			
	As on 30.09.2011	As on 30.09.2010	As on 30.09.2011	As on 30.09.2010
	Consolidated		Standalone	
SHAREHOLDERS FUNDS:				
(a) Capital	24,755.67	21,210.24	22,558.90	21,210.24
(b) Share application money	13.11	219.23	13.11	-
(c) Employee Stock Options Outstanding	1,974.65	1,403.60	1,636.43	1,527.39
(d) Reserves and Surplus	95,692.85	124,464.22	115,297.31	92,349.31
Minority Interest	44,165.22	78,270.85	-	-
Loan Funds	198,208.47	191,378.71	96,371.10	58,739.17
Deferred Tax Liability	301.45	118.31	-	-
Total	365,111.42	417,065.16	235,876.85	173,826.11
Fixed Assets	25,440.48	22,244.25	712.55	270.55
Goodwill (On Consolidation)	108,183.32	125,544.10	-	-
Investments	54,756.15	116,889.56	190,066.67	142,278.73
Deferred Tax Assets	927.66	614.07	-	-
Current Assets, Loans and Advances	40,233.45	11,518.68	-	8.78
(a) Inventories	52,733.58	45,901.92	1,864.99	426.62
(b) Sundry Debtors	31,209.67	51,439.77	12,377.55	7,284.66
(c) Cash and Bank balances	183.56	1,049.02	-	-
(d) Unbilled revenue	76,409.45	70,705.14	40,661.89	18,523.38
(e) Loans and Advances	200,769.71	180,614.53	54,904.43	26,243.44
Total	200,769.71	180,614.53	54,904.43	26,243.44
Less: Current Liabilities and Provisions	77,144.12	61,588.54	8,322.48	2,953.20
(a) Liabilities	3,532.96	3,043.67	24,063.29	786.85
(b) Provisions	80,677.08	64,632.21	32,385.77	3,740.05
Total	120,092.63	115,982.32	22,518.66	22,503.39
Net Current Assets	55,711.18	35,790.86	22,578.97	8,773.44
Profit and Loss Account	365,111.42	417,065.16	235,876.85	173,826.11
Total	365,111.42	417,065.16	235,876.85	173,826.11

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 Corp. Office: Express Trade Tower, Plot No. 15-16, Sector 16A, Noida, Uttar Pradesh - 201301
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SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED (STANDALONE)					
Particulars	Quarter ended 30.09.2011 (Unaudited)	Quarter ended 30.09.2010 (Unaudited)	Half year ended 30.09.2011 (Unaudited)	Half year ended 30.09.2010 (Unaudited)	Year ended 31.03.2011 (Audited)
Segment Revenue					
a) Investments			-		-
a) Event Management	600.49	334.16	943.83	574.00	2,144.96
b) Sports Management	210.51	450.31	558.83	670.47	1,542.61
c) Web Operations	790.30		1,592.56		
d) Advisory Services	18.75	17.14	34.38	143.70	303.09
Total	1620.05	801.61	3129.60	1388.17	3,990.66
e) Other unallocable revenue			-		-
Net Sales/Income from Operations	1,620.05	801.61	3,129.60	1,388.17	3,990.66
Segment Results					
Profit(Loss) before tax and interest					
a) Investments			-		-
a) Event Management	(137.09)	(93.82)	(240.65)	(189.65)	(284.34)
b) Sports Management	(87.42)	(94.14)	(118.77)	(153.79)	(315.31)
c) Web Operations	(801.21)		(1,791.86)		
d) Advisory Services	(81.26)	(55.46)	(152.73)	9.70	(37.76)
Total	(1,106.99)	(243.42)	(2,304.02)	(333.74)	(637.41)
Less : 1) Interest	3,097.32	2,210.95	6,022.68	4,378.41	8,164.93
2) Other un-allocable Expenses	223.78	266.89	545.26	502.20	1,036.16
3) Other un-allocable Income	(1,682.75)	(827.18)	(2,947.23)	(1,412.98)	(2,926.14)
Total profit before tax	(2,745.33)	(1,894.08)	(5,924.72)	(3,801.37)	(6,912.36)
Provision for tax	71.76	-	71.76		0.40
Profit after tax	(2,817.09)	(1,894.08)	(5,996.48)	(3,801.37)	(6,912.76)
Capital employed					
(Segment Assets-Segment Liabilities)					
a) Investments			-		-
a) Event Management	93.79	(101.98)	93.79	(101.98)	659.66
b) Sports Management	167.99	(495.25)	167.99	(495.25)	164.61
c) Web Operations	(2,496.27)		(2,496.27)		
d) Advisory Services	44.55	(151.99)	44.55	(151.99)	402.66
e) Unallocated	118,695.37	115,836.16	118,695.37	115,836.16	116,804.59

