INFOMEDIA 18 LIMITED

(Formerly Infomedia India Limited)

Regd. Office : 503, 504 & 507, 5th Floor, Mercantile House,
15, Kasturba Gandhi Marg, New Delhi - 110001.

Standalone (Unaudited) Financial Results for the Quarter and Half Year Ended September 30, 2010.

(₹ in lakhs)

Standalone Financial Information

	3 months ended (30/09/2010) Unaudited	Corresponding 3 months ended in the previous year (30/09/2009) Unaudited	6 months ended (30/09/2010) Unaudited	Corresponding 6 months ended in the previous year (30/09/2009) Unaudited	Previous accounting year ended (31/03/2010) Audited
1. (a) Net Sales/Income from operations (Refer Note 8)	4,624.88	2,333.32	6,943.61	4,223.25	10,723.92
(b) Other Operating Income (Refer Note 9)	54.64	35.54	92.55	63.48	859.23
2. Expenditure	**5,474.09**	**3,895.31**	**8,367.65**	**6,506.40**	**16,566.53**
a) (Increase)/Decrease in stock in trade and work in progress	(4.25)	(4.45)	(55.61)	(54.56)	19.97
b) Consumption of raw materials	1,135.49	689.82	1,713.94	1,350.69	2,574.41
c) Purchase of traded goods	9.98	5.68	13.54	10.30	41.99
d) Employees cost	1,780.38	723.38	2,672.27	1,364.08	5,008.40
e) Postage & courier charges	247.67	308.57	511.52	543.44	991.14
f) Depreciation	164.52	165.57	306.38	323.69	607.54
g) Rent	529.15	313.93	805.60	417.89	1,092.98
h) Advertising & Publicity (Refer Note 8)	339.76	691.26	458.93	889.62	1,765.84
i) Bad Debts/Provision for doubtful debts	0.08	90.00	85.39	118.08	238.11
j) Other expenditure	1,271.31	911.55	1,855.69	2,543.17	4,226.15
3. (Loss)/Profit from operations before other Income, interest, exceptional items and tax (1-2)	**(794.57)**	**(1,526.45)**	**(1,331.49)**	**(2,219.67)**	**(4,983.38)**
4. Other Income	101.66	131.49	122.18	146.27	149.25
5. (Loss)/Profit before interest, exceptional items and tax (3+4)	**(692.91)**	**(1,394.96)**	**(1,209.31)**	**(2,073.40)**	**(4,834.13)**
6. Interest	113.23	482.99	308.32	880.27	1,646.07
7. (Loss)/Profit after interest but before exceptional items and tax (5-6)	**(806.14)**	**(1,877.95)**	**(1,517.63)**	**(2,953.67)**	**(6,480.20)**
8. Exceptional items (Refer Note 4)	44.07	90.00	(150.08)	90.00	(1,480.00)
9. (Loss)/Profit from ordinary activities before tax (7-8)	**(762.07)**	**(1,967.95)**	**(1,367.55)**	**(3,043.67)**	**(5,000.20)**
10. Tax expenses					
(a) Provision / (Credit) for Taxation	(18.04)	(0.00)	(10.91)	(16.22)	3.22
(b) Fringe Benefit Tax	-	(12.10)	-	-	-
11. Net (Loss)/Profit from ordinary activities after tax (9-10)	**(744.03)**	**(1,955.85)**	**(1,356.64)**	**(3,027.45)**	**(5,003.42)**
12. Extraordinary Items	-	-	-	-	-
13. Net (Loss)/Profit for the year (11-12)	**(744.03)**	**(1,955.85)**	**(1,356.64)**	**(3,027.45)**	**(5,003.42)**
14. Paid-up Equity Share Capital (Face value ₹ 10) (Refer Note 10)	5,001.19	1,988.51	5,001.19	1,988.51	4,970.57
15. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	(4,257.96)
16. Earnings Per Share(EPS)					
a)Basic and Diluted EPS before Extraordinary items for the year to date and for the previous year	(1.49)	(5.39)	(2.71)	(5.39)	(16.63)
b)Basic and Diluted EPS after Extraordinary items for the year to date and for the previous year (not to be annualised)	(1.49)	(5.39)	(2.71)	(5.39)	(16.63)
17. Public Shareholding					
- Number of Shares	26,098,811	11,270,120	26,098,811	11,270,120	25,792,611
- Percentage of Shareholding	52.19	56.67	52.19	56.67	51.89
18. Promoter and Promoters Group Shareholding					
a) Pledged/Encumbered					
- Number of shares	-	-	-	-	-
- Percentage of shares(as a % of the total shareholding of Promoter and Promoters group)	-	-	-	-	-
- Percentage of shares(as a % of the total share capital of the company)	-	-	-	-	-
b) Non-encumbered					
- Number of shares	23,913,061	13,059,043	23,913,061	8,614,983	23,913,061
- Percentage of shares(as a % of the total shareholding of Promoter and Promoter group)	100	100	100	100	100
- Percentage of shares(as a % of the total share capital of the company)	47.81	43.32	47.81	43.32	48.11

Standalone Segmentwise Revenue, Results and Capital Employed

	3 months ended (30/09/2010) Unaudited	Corresponding 3 months ended in the previous year (30/09/2009) Unaudited	6 months ended (30/09/2010) Unaudited	Corresponding 6 months ended in the previous year (30/09/2009) Unaudited	Previous accounting year ended (31/03/2010) Audited
1. Segment Revenue					
a. Printing	1,335.04	1,171.07	2,488.97	2,239.75	4,263.14
b. Publishing	3,386.28	1,110.78	4,592.45	1,993.64	6,858.72
c. Others	177.58	195.33	438.96	351.55	630.51
Total	**4,898.90**	**2,477.18**	**7,520.38**	**4,584.94**	**11,752.37**
Less : Inter Segment revenue	274.02	143.86	576.77	361.69	1,028.45
Net sales/Income from operations	**4,624.88**	**2,333.32**	**6,943.61**	**4,223.25**	**10,723.92**
2. Segment Results					
a. Printing	121.35	69.42	309.49	89.73	291.24
b. Publishing	(462.51)	(1,219.04)	(881.72)	(1,757.36)	(3,476.14)
c. Others	17.69	8.72	131.57	46.86	42.03
Total	**(323.47)**	**(1,140.90)**	**(440.66)**	**(1,620.77)**	**(3,142.87)**
Less: Interest expense	113.24	482.99	308.31	880.27	1.646.07
Add: Interest and Dividend income	26.51	3.09	40.01	5.42	15.44
Less: Unallocable expenditure net of unallocable income	395.93	257.15	808.65	458.05	1,706.70
Less: Exceptional items	(44.06)	90.00	(150.06)	90.00	(1,480.00)
Total Profit Before Tax	**(762.07)**	**(1,967.95)**	**(1,367.55)**	**(3,043.67)**	**(5000.20)**
3. Capital Employed (Segment Assets less Segment Liabilities)					
a. Printing	1,607.69	1,400.26	1,607.69	1400.26	988.46
b. Publishing	1,028.27	(501.48)	1,028.27	(501.48)	1,381.57
c. Others	19.95	158.95	19.95	158.95	134.92
d. Unallocated	(33.08)	(5,313.44)	(33.08)	(5,290.11)	1,382.86
Capital Employed	**2,622.83**	**(4,255.71)**	**2,622.83**	**(4,232.38)**	**3,887.81**

Statement of Assets and Liabilities

	6 months ended (30/09/2010) Unaudited	Corresponding 6 months ended in the previous year (30/09/2009) Unaudited	Previous accounting year ended (31/03/2010) Audited
Shareholders fund :			
a. Capital	5,001.19	1,988.51	4,970.57
b. Reserves & Surplus	8,401.56	1,445.33	8,356.99
Loan Funds	2,281.94	13,958.58	7,978.16
Deferred Tax Liabilities	118.30	146.47	129.21
Total	**15,802.99**	**17,538.89**	**21,434.93**
Fixed Assets	2,201.24	3,313.59	2,377.29
Investments	3,364.21	6,547.81	10,671.75
Current Assets, Loans & Advances			
a. Inventories	776.28	722.81	660.98
b. Sundry Debtors	3,448.46	2,813.14	3,498.71
c. Cash and Bank Balances	550.82	432.11	698.67
d. Other current Assets	-	-	-
e. Loans and advances	3,856.29	4,570.74	3,364.50
Less: Current Liabilities and provisions			
a. Liabilities	8,652.04	8,194.31	8,830.49
b. Provisions	522.17	333.22	446.22
Miscellaneous Expenditure (Not Written off or adjusted)	86.57	313.13	103.05
Loss on merger	-	1,035.04	-
Profit and loss account	10,693.33	6,318.05	9,336.69
Total	**15,802.99**	**17,538.89**	**21,434.93**

Notes:

1. The above results were approved by the Board of Directors at their meeting held on October 26, 2010.
2. The status of investor complaints for the quarter ended September 30,2010 was as follows :

Pending at the beginning of the quarter	-
Received during the quarter ended 30.09.2010	1
Disposed off during the quarter ended 30.09.2010	1
Unresolved at the end of the quarter ended 30.09.2010	-

3. The standalone financial results for the quarter ended September 30, 2010 has been subjected to a limited review by the Statutory Auditors.
4. i) The Company has entered into a Share Purchase Agreement ('SPA') with Knowledgeworks Global Private Limited (a Cenveo Inc company) on May 4, 2010 to sell its entire equity stake in its 4 subsidiaries which are carrying on the Publishing BPO business. Pursuant to the SPA, the sale of all these subsidiaries has been completed during the half year ended September 30, 2010. As per the SPA, the sales consideration includes dividend received from these companies after the date of the SPA and expenses of the Company relating to the sale which are borne by the Purchaser. The Company has incurred legal and professional fees and other expenses in connection with the sale of these subsidiaries. The net gain on the sale of these subsidiaries amounting to ₹ 74.47 lakhs has been disclosed as an Exceptional item in the results for the half year ended September 30, 2010.
   ii) The impairment provision of ₹ 75.60 Lakhs has been reversed during period ended September 2010 which has been disclosed as an Exceptional item in the results for the quarter ended September 30, 2010.
   iii) During the year ended March 31, 2009, the Company had made a provision for diminution in the value of long term investments in subsidiaries amounting to ₹ 1,600 lakhs. Considering the sales consideration to be received as per the SPA, the Company was of the view that there would be no diminution in the value of the said investments and hence the same was written back during the year ended March 31, 2010 and disclosed as an exceptional item. The Company had also made provision for diminution in the value of investments in a Joint Venture Company amounting to ₹ 120 Lakhs during the year ended March 31, 2010 and the same has also been disclosed as an Exceptional item in the results for the year ended March 31, 2010.
5. The Company has incurred a loss of ₹ 744.03 lakhs and ₹1,356.64 lakhs during quarter ended and half year ended September 30, 2010 respectively and the accumulated losses of the Company as at September 30, 2010 are ₹ 10,693.34 lakhs. During the year 2009-10, the Company has raised equity vide rights issue, amounting to ₹ 9,989.68 lakhs to augment the equity in the Company. The unutilized funds from the Rights issue as at September 30, 2010 are ₹ 1,498.91 lakhs. The Parent Company has also given support letter to extend any financial support, which may be required by the Company. The Company is in the process of restructuring its business as described in Note 6 below. The Company's Printing Press business may also be sold off. The Company has also entered in to a Share Purchase Agreement ('SPA') with Knowledgeworks Global Private Limited, a Cenveo Inc. company, in May 2010 to sell its entire equity stake in its four subsidiaries carrying on the Publishing BPO business which has resulted in significant cash flows to the Company during the year to end March 31, 2011. Management has assessed and confirmed that considering these factors the Company shall continue to be a going concern and hence, this unaudited financial results have been prepared on a going concern basis. Without qualifying their audit opinion, the auditors have given an emphasis of matter in respect of the going concern matter in their audit report dated May 7, 2010 on the audited financial statements of the Company for the year ended March 31, 2010. This has no impact on the loss for the quarter.
6. The Board of Directors of the Company, on July 7, 2010 announced and approved a Scheme of Arrangement ('the Scheme') between Infomedia 18 Limited and Network 18 Media & Investments Limited ('Network 18") and their respective shareholders. As per the Scheme, the Business Directories business, the New Media business and the Magazine Publishing business of the Company shall be demerged into Network 18 Media & Investments Limited while the Printing Press business will continue to remain with the Company. The Scheme is subject to approval of High Courts and the shareholders of the respective companies. The Appointed date for the proposed restructuring is April 1, 2010 and the Scheme shall be effective when the certified copies of the High Court Orders are filed with the Registrar of Companies. Accordingly no effect of the Scheme has been given in these Unaudited Unconsolidated results for the quarter ended and the half year ended September 30, 2010.
7. i) The demands towards Income Tax and Fringe Benefit Tax for the Assessment Year 2005-06, 2006-07, 2007-08 and 2008-09 outstanding as on September 30, 2010 are aggregating to ₹ 280.23 lakhs. The Company has disputed the demands and has preferred appeals before appellate authorities, to set aside the demands and carry out necessary rectifications. The Company has assessed that the possibility of these case being decided against the Company and the demand crystallizing on the Company is not probable and hence no provision is required.
   ii) The demands towards Sales Tax / Works Contract Tax for the financial years 1999-2000, 2000-2001, 2001-2002 and 2002-2003, outstanding as on September 30, 2010 are ₹ 415.57 lakhs. The Company has disputed the demands and has preferred appeals before the Joint Commissioner of Sales Tax Appeals. The Company has assessed that the possibility of these cases being decided against the Company and the demand crystallizing on the Company is not probable and hence no provision is required.
8. Loss for the year ended March 31, 2010 includes an amount of ₹ 38.77 lakhs relating to prior years.
9. Other operating income for the year ended March 31, 2010 includes ₹ 720.57 lakhs pertaining to provision no longer required for printing expenses written back.
10. The Company has raised ₹ 9,989.68 lakhs through a rights issue vide the letter of offer dated December 9, 2009, and has allotted 29,820,569 equity shares of ₹ 10/- each at a premium of ₹ 23.50 per share, offered in the ratio of three equity shares for every two equity shares held in the company.
11. The Company has utilized an aggregate sum of ₹ 8,490.77 lakhs towards the stated purposes, from the proceeds of the Rights Issue. The unutilized funds of ₹ 1,498.91 lakhs are deployed in Liquid Mutual Funds.
12. The registered office of the company has been shifted to New Delhi, pursuant to confirmation by Company Law Board, Mumbai bench with effect from 22nd October 2010.
13. Previous period figures have been regrouped/restated wherer necessary.

On behalf of the Board,

Sanjeev Manchanda
Chairman

Noida, October 26, 2010