

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2010

Particulars	Consolidated				Stand-alone			
	Quarter ended 31.12.2010 (Reviewed)	Quarter ended 31.12.2009 (Reviewed)	Nine Months ended 31.12.2010 (Reviewed)	Nine Months ended 31.12.2009 (Reviewed)	Quarter ended 31.12.2010 (Reviewed)	Quarter ended 31.12.2009 (Reviewed)	Nine Months ended 31.12.2010 (Reviewed)	Nine Months ended 31.12.2009 (Reviewed)
1. Revenue								
(a) Revenue from operations	40,558.66	37,011.08	107,829.01	87,631.45	1,092.79	1,032.06	2,480.97	2,002.45
(b) Other Operating Income	40,404.36	36,996.33	107,013.98	87,400.24	1,092.79	1,032.06	2,480.97	2,002.45
	154.30	14.75	815.03	231.21	-	-	-	-
2. Expenditure								
(a) Operating expenditure	39,261.38	38,954.39	109,440.86	106,727.46	1,408.86	1,386.56	3,632.21	3,276.95
(b) (Increase)/decrease in stock in trade	28,740.54	28,984.16	78,199.69	71,368.25	1,080.25	1,191.63	2,649.96	2,311.69
(c) Material Consumed	533.79	577.06	2,205.66	1,883.50	-	-	-	-
(d) Purchase of traded goods	8,365.47	7,664.46	24,246.20	22,132.69	311.27	185.54	943.53	922.72
(e) Staff costs (Including Stock Options Chargeout)	1,621.58	1,728.71	4,789.31	5,343.02	17.34	8.39	38.72	42.54
(f) Depreciation and non cash write off								
3. Profit(Loss) from operations before interest and other Income	1,297.28	(1,943.31)	(1,611.85)	(13,096.01)	(316.07)	(354.50)	(1,151.24)	(1,274.50)
4. Other Income								
5. Profit (Loss) before interest and exceptional items and tax	12,653.35	1,907.06	18,664.86	3,656.96	478.78	823.52	1,851.76	1,492.54
6. Interest & Financial Charges	13,950.63	(36.25)	(9,439.05)	153.06	162.71	469.02	740.52	218.04
7. Profit after interest but before Exceptional Items	5,654.13	5,299.10	17,133.37	15,628.98	1,898.38	973.01	6,276.79	3,115.64
8. (a) Exceptional income/settlement of loan liability	8,296.50	(5,335.35)	(80.36)	(25,068.03)	(1,735.67)	(503.99)	(5,536.27)	(2,897.60)
(b) Exceptional expenses - Option Premium Paid		(56.58)	882.08	(5,202.58)				
9. Prior Period and Extra Ordinary Items								
10. Profit (Loss) after Prior Period and Extra Ordinary Items, before tax	(57.92)	6.70	92.24	76.37	(69.94)	3.98	(69.19)	(9.66)
11. Provision for Taxation	0.354.32	(3,285.47)	(1,054.68)	(25,958.04)	(3,666.73)	(507.97)	(5,467.08)	(2,887.94)
12. Net Profit (Loss) for the year	76.54	166.29	1,740.96	742.52	960.24	-	-	0.75
13. Minority Interest	8,277.78	(5,451.76)	(2,795.64)	(26,700.56)	(1,665.73)	(507.97)	(5,467.08)	(2,887.94)
14. Share in loss (Profit) of associates	416.33	(3,259.94)	(3,541.18)	(12,537.25)	-	-	-	-
15. Net Profit (Loss) after tax and minority interest	7,861.45	(2,191.82)	745.54	(14,163.31)	(1,665.73)	(507.97)	(5,467.08)	(2,887.94)
16. Paid-up Equity/Share Capital	5,783.68	5,705.41	5,783.68	5,705.41	5,783.68	5,705.41	5,783.68	5,705.41
17. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	85,472.81	85,472.81	85,472.81	85,472.81	85,472.81	85,472.81	85,472.81	85,472.81
18. EPS (Not annualised)	6.80	(1.99)	0.64	(15.07)	(1.44)	(0.46)	(4.73)	(3.07)
(a) Basic EPS before and after Extraordinary items for the period, for the year to date and for the previous year (not to be annualised)	6.72	(1.99)	0.64	(15.07)	(1.44)	(0.46)	(4.73)	(3.07)
(b) Diluted EPS before and after Extraordinary items for the period, for the year to date and for the previous year (not to be annualised)								
19. Awardees of Public Shareholding	47,136.142	58,031.592	47,136.142	58,031.592	47,136.142	58,031.592	47,136.142	58,031.592
(a) Number of Shares	40.75%	50.86%	40.75%	50.86%	40.75%	50.86%	40.75%	50.86%
(b) Percentage of Shareholding	5/-	5/-	5/-	5/-	5/-	5/-	5/-	5/-
(c) Face Value per share (Rs.)								
20. Promoter and Promoter group shareholding								
a) Pledged/Encumbered								
-Number of shares percentage of shares (as a % of the total shareholding of promoter and promoter group)	33,591,727	21,510,125	33,591,727	21,510,125	33,591,727	21,510,125	33,591,727	21,510,125
-Percentage of shares (as a % of the total share capital of The Company)	49.01%	38.36%	49.01%	38.36%	49.01%	38.36%	49.01%	38.36%
b) Non-encumbered								
-Number of shares	34,943,644	34,566,455	34,943,644	34,566,455	34,943,644	34,566,455	34,943,644	34,566,455
-Percentage to shares (as a % of the total shareholding of promoter and promoter group)	50.99%	61.64%	50.99%	61.64%	50.99%	61.64%	50.99%	61.64%
-Percentage of shares (as a % of the total share capital of the Company)	30.21%	30.29%	30.21%	30.29%	30.21%	30.29%	30.21%	30.29%

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED (STANDALONE)					
Particulars	Quarter ended 31.12.2010	Quarter ended 31.12.2009	Nine months ended 31.12.2010	Nine months ended 31.12.2009	Year ended 31.03.2010 (Audited)
Segment Revenue					
a) Investments	606.75	627.18	1,180.75	1,250.00	2,012.95
b) Event Management	360.72	395.83	1,031.19	699.02	1,198.25
c) Sports Management	125.32	259.03	53.44	53.44	85.00
d) Advisory Services	1,992.79	1,032.07	2,480.97	2,002.46	3,296.20
Total	1,092.79	1,032.07	2,480.97	2,002.46	3,296.20
Net Sales/Income from Operations					
Segment Results					
Profit(Loss) before tax and interest from each segment wise					
a) Investments	141.70	443.80	(231.35)	759.97	183.26
b) Event Management	(100.31)	(504.32)	(254.10)	(852.59)	(378.53)
c) Sports Management	42.41	(45.45)	52.11	(112.69)	(138.90)
d) Advisory Services	(99.69)	(106.17)	(433.34)	(205.31)	(334.07)
Total	1,896.38	973.01	6,276.79	3,115.64	5,249.42
Less : (1) Interest	146.53	252.31	848.72	1,059.53	1,191.40
2) Other un-allocable Expenses	(478.78)	(823.52)	(1,891.76)	(1,492.54)	(2,321.28)
3) Other un-allocable Income	(1,665.73)	(507.97)	(5,467.09)	(2,887.94)	(4,453.61)
Total profit before tax	0.00	0.00	0.00	0.75	0.75
Provision for tax including FBT	(1,665.73)	(507.97)	(5,467.09)	(2,887.94)	(4,453.61)
Profit after tax					
Capital employed					
(Segment Assets-Segment Liabilities)					
a) Investments	192.68	(265.84)	192.68	(265.84)	133.55
b) Event Management	(175.68)	(54.59)	(175.68)	(54.59)	(331.92)
c) Sports Management	156.39	(130.65)	156.39	(130.65)	(156.58)
d) Advisory Services	115,003.87	115,003.87	114,999.88	115,003.87	115,013.07
Total	4,995.88	115,003.87	114,999.88	115,003.87	115,013.07

Notes:

- The above standalone and consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on January 27, 2011. The Statutory Auditors have also carried out a limited review of the said results 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, 2010.
- The Board of Directors of the Company have on July 7, 2010 approved a draft Scheme of Arrangement ("the Scheme") with an overall objective of simplifying the corporate structure of the Network18 Group. The Scheme envisages the transfer of "Business News Operations" comprising of "CNBC TV18", "CNBC Awaaz" channels and teleport business from Television Eighteen India Limited ("TV18"), a subsidiary of the Company, to another subsidiary viz. Info18 Broadcast Limited. The remaining TV18 (post demerger of "Business News Operations") of TV18 along with its investments shall be merged with the Company. The Company will issue 13 equity shares for every 100 equity shares of TV18 as consideration of the merger of remaining TV18 with Network18. In addition, the "Yellow pages" and "Magazine publishing businesses of InfoMedia18 Limited ("InfoMedia18") shall be demerged into Network18. The Company will issue 14 equity shares for every 100 equity shares of InfoMedia18 to the shareholders of InfoMedia18 as consideration of the said demerger. The equity and preference shareholders of the company, in their meetings held on December 21, 2010 and December 22, 2010, respectively, have approved the above schemes, which are now subject to Honorable High Court and other requisite approvals. Accordingly, no effect of the restructuring has been given in these results.
- The Reserve Bank of India has, on the request of the company, cancelled its certificate of registration as an NBFC in December 2009. The company consequently decided to modify the disclosure of investment income for the periods ended after December 31, 2009 as "Non Operating Income". During earlier periods investment income was reported as operating income.
- The Company received 6 complaints from the POCPS holders during the quarter ended December 31, 2010 and all the complaints have been redressed. 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 POCPS. Of that amount, Rs. 19,791 lakhs have been utilised upto the period ended December 31, 2010 for the objects for which it was raised and the balance funds are temporarily invested in mutual funds and banks.
- The Company has carried out its tax computations in accordance with Accounting Standard (AS 22) - "Taxes on Income" issued by the Institute of Chartered Accountants of India. In view of losses, no deferred tax assets have been recognised.
- The Statutory Auditors have qualified their report on standalone accounts in respect of (i) remuneration paid to the Managing Director, being in excess of the limits prescribed in Schedule XIII of the Companies Act, 1956, and (ii) non provision for other than temporary diminution in the value of long term investments/advances of Rs. 40,962.51 lakhs. Management response to the above: (i) The Central Government has partially approved the remuneration paid, and the company has filed a representation requesting for reconsideration of the matter, and (ii) No provision is necessary keeping in view the long term involvement of the company with the investee companies and in view of the proposed reorganisation referred to in 3 above.
- The Earning per Share (EPS) has been computed in accordance with the Accounting Standard-20. The EPS has been computed with reference to the weighted average of equity shares outstanding during each period.
- Consolidated figures for the period ended December 31, 2010 are not comparable with the corresponding previous period figures due to:
 - Non consolidation, in the current quarter, of the Branches of The Indian Film Company Limited, Guwahati (IFCL) which was earlier a subsidiary but consequent to disposal of shares in IFCL, is being now consolidated as part of a Joint Venture of IBN 18 (I)
 - Film Investment Managers (FIM) Limited w.e.f. July 1, 2010 consequent to the management decision to dispose these investments.
- Non consolidation in the previous year ended March 31, 2010, of two subsidiaries of a 50:50 joint venture (Vicom 18) of IBN 18, which have been consolidated in the current year.
- Other notes relating to consolidated financials
- Management is of the view that having regard to the long term strategic involvement with the investee companies and the proposed restructuring, goodwill on consolidation does not need to be impaired.
- InfoMedia18 Limited, a subsidiary, has entered into a Share Purchase Agreement (SPA) with KnowledgeWorks Global Private Limited (a Cerveo Inc group company) on May 4, 2010 to sell its entire equity stake in its 4 subsidiaries, which are engaged in the Publishing BPO Business. Accordingly, the consolidated financial results include loss before tax from discontinuing operations of Rs. 439.86 lakhs relating to the same for the nine months ended December 31, 2010. The sale of all the subsidiaries has been completed during the period under review. The net loss on account of sale of these subsidiaries aggregates to Rs. 957.69 lakhs for the nine months ended December 31, 2010. The aforementioned loss net of a reversal of an impairment provision of Rs. 75.60 lakhs for the nine months ended December 31, 2010 has been disclosed as an exceptional item.
- In respect of the assets and income pattern of Network18 India Holdings Pte. Limited, a wholly owned subsidiary of the Company, the management has sought opinion of the Reserve Bank of India vide its letter dated August 24, 2009 on whether it needs to be registered as an NBFC. The Reserve Bank's response is awaited.
- Other Income includes Rs. 9514 lakhs being the profit on sale of investments in IFCL (see note 10(a)(i) above) net of expenses, impairment of ancillary investments and adjustment of goodwill on consolidation.
- Previous period figures have been regrouped, wherever necessary, to conform to current year's presentation.

Place: Kolkata
Date: January 27, 2011

For NETWORK18 MEDIA & INVESTMENTS LTD

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