

Investor Update Q2 FY2009-10

Television Eighteen India Limited (Listed Subsidiary of Network18)

ALL BUSINESS UNITS REPORT SEQUENTIAL GROWTH IN REVENUES; ALL SET TO TURN EBITDA POSITIVE ON CONSOLIDATED BASIS; SUCCESSFUL COMPLETION OF RIGHTS ISSUE TO SUBSTANTIALLY DE-LEVERAGE BALANCE SHEET

BUSINESS NEWS CHANNELS:

CNBC Universe Dominates Business News Genre With 65% Market Share

Revenues Up 14% (QOQ); Operating Margin At 16%

Revenues Expected To Grow YOY From Next Quarter Onwards, Ending Four Quarters Of De-Growth

WEB18 REVENUES UP 13% SEQUENTIALLY; CASH POSITIVE OPERATIONS NEXT TARGET

Operating Losses Cut Down Sharply From Rs 175-190 mn Per Quarter in Q2/Q3 Last Year To Rs 51 mn In Q2

Commences Strategic Partnership With Nokia, The Global Leader In Mobile Technology

In.Com is Firmly Placed At No.2 Position Among Indian Portals; Web18's Unique Users Grow More Than Rediff.com and Times Internet in Q2

INFOMEDIA18 REVENUES GROW BY MORE THAN 23% QOQ; FOCUS NOW ON TURNING EBITDA POSITIVE

Infomedia Yellow Pages Selected As "Superbrand" In Its Category

Alibaba Venture Order Book Continues To Grow Sequentially

NEWSWIRE18 - REVENUES UP 54% (YOY) & UP 6% (QOQ); TURNS EBITDA POSITIVE

Operating Profit At Rs 2.01 mn VS Loss of Rs 27.75 mn in Q2 Last Year

Better Sales Expected In H2 As Market Sentiments Improves

Gearing Up To Launch New Products On Mobile Platform

FORBES INDIA CONTINUES STRONG UPTREND IN CIRCULATION AND SALES



newswire 18

Web 18

www.moneycontrol.com
www.livivo.com
www.indiaearnings.com
www.commoditiescontrol.com
www.jash18.com
www.jash18.com
www.buzz18.com
www.bollywoodnow.com

www.cricketnext.com
www.tech2.com
www.biztech2.com
www.indiwo.com
www.easypdf.com
www.poweryoutrade.com
www.combarindia.com
www.jash18.com

Infomedia 18

Television Eighteen India Limited:

Consolidated Unaudited Financial Performance for the Quarter ended 30th September 2009

Rs. mn.

Total Revenues (Part I, II, III and IV)	1240.11	1073.26	1302.59

Part I: News Operations

Particulars	Q2 2009-10	Q1 2009-10	Q2 2008-09
REVENUES: NEWS OPERATIONS	647.43	568.57	808.23
Operating Expense	547.11	471.20	488.19
Operating Profit	100.32	97.37	320.04
Operating Margin	15.50%	17.13%	39.60%
Net Outflow on Revenue Share with CNBC	(35.06)	(36.83)	(45.04)
Interest/Income from Investments	35.81	37.16	128.56
Interest Expense	(288.32)	(283.42)	(221.11)
Interest (Net)	(252.58)	(246.26)	(92.54)
Depreciation	(53.55)	(53.52)	(55.49)
Profit Before Tax, Minority Interest and ESOP Charge Out	(240.80)	(239.23)	126.96
Prior Period Income /(expense)	(8.33)	0.00	0.00
Profit Before Tax, Minority Interest, ESOP Charge Out but After Prior Period Income /(expense)	(249.14)	(239.23)	126.96
Provision for Current Tax/FBT	(2.19)	3.22	23.47
Profits After Tax (before minority interest and ESOP charge out)	(246.95)	(242.46)	103.49
Minority Interest	0.00	0.00	0.00
Share in Loss of Associates	0.00	11.83	0.00
Profits After Tax and Minority Interest (before ESOP charge out)	(246.95)	(230.62)	103.49
ESOP Charge Out	4.70	10.82	27.43
Profits After Tax and ESOP Charge Out	(251.65)	(241.44)	76.06
Exchange Fluctuations	49.64	30.20	33.28
Profits After Exchange Fluctuations	(301.29)	(271.64)	42.78
Provision for Deferred Tax	29.79	11.07	0.00
Net Profit After Deferred Tax	(331.07)	(282.71)	42.78
Paid up Equity Share Capital	600.07	600.07	599.40
EPS (Rs.) without ESOP Charge Out	(2.72)	(2.17)	0.59
EPS (Rs.) with ESOP Charge Out	(2.76)	(2.36)	0.36

Television Eighteen India Limited:
Consolidated Unaudited Financial Performance for the Quarter ended 30th September 2009

Part II: Web18

Rs. mn.

Particulars	Q2 2009-10	Q1 2009-10	Q2 2008-09
REVENUES: OPERATIONS	160.08	142.10	152.68
Operating Expense	211.45	179.98	342.48
Operating Profit	(51.37)	(37.88)	(189.80)
Interest/Income from Investments	0.00	0.00	0.77
Interest Expense	(4.33)	(4.65)	(6.87)
Interest (Net)	(4.33)	(4.65)	(6.10)
Depreciation	(43.36)	(40.70)	(46.36)
Profit Before Tax and Minority Interest and ESOP Charge Out	(99.06)	(83.23)	(242.27)
Provision for Current Tax/FBT	0.00	5.00	5.80
Profits After Tax (before minority interest and ESOP charge out)	(99.06)	(88.23)	(248.07)
Minority Interest	1.27	(2.33)	(10.03)
Profit After Tax and Minority Interest	(100.33)	(85.89)	(238.04)
ESOP Charge Out	0.00	0.00	8.37
Profits After Tax and ESOP Charge Out	(100.33)	(85.89)	(246.41)
Exchange Fluctuations	0.00	0.00	0.73
Profits After Exchange Fluctuations	(100.33)	(85.89)	(247.14)
Provision for Deferred Tax	0.00	0.00	0.00
Net Profit After Deferred Tax	(100.33)	(85.89)	(247.14)

Television Eighteen India Limited:

Consolidated Unaudited Financial Performance for the Quarter ended 30th September 2009

Part III: Newswire18

Rs. mn.

Particulars	Q2 2009-10	Q1 2009-10	Q2 2008-09
REVENUES: OPERATIONS	78.88	74.48	51.20
Operating Expense	76.87	74.67	78.96
Operating Profit	2.01	(0.19)	(27.75)
Operating Margin	2.55%	-0.26%	-54.20%
Interest/Income from Investments	0.07	0.06	0.00
Interest Expense	(7.29)	(6.30)	(6.87)
Interest (Net)	(7.21)	(6.24)	(6.87)
Depreciation	(8.08)	(7.93)	(5.30)
Profit Before Tax and Minority Interest	(13.28)	(14.37)	(39.93)
Provision for Current Tax/FBT	0.00	0.00	0.33
Profits After Tax (before minority interest)	(13.28)	(14.37)	(40.26)
Minority Interest	0.00	0.00	0.00
Profits After Tax and Minority Interest	(13.28)	(14.37)	(40.26)
Exchange Fluctuations	0.00	0.00	0.00
Profits After Exchange Fluctuations	(13.28)	(14.37)	(40.26)
Provision for Deferred Tax	0.00	0.00	0.00
Net Profit After Deferred Tax	(13.28)	(14.37)	(40.26)

Television Eighteen India Limited:
Consolidated Unaudited Financial Performance for the Quarter ended 30th September 2009

Part IV: Infomedia18

Rs. mn.

Particulars	Q2 2009-10	Q1 2009-10	Q2 2008-09
REVENUES: OPERATIONS	353.72	288.12	290.48
Operating Expense	415.10	310.09	299.62
Operating Profit	(61.38)	(21.97)	(9.14)
Interest/Income from Investments	0.00	0.11	4.69
Interest Expense	(27.38)	(22.96)	(17.02)
Interest (Net)	(27.38)	(22.86)	(12.33)
Depreciation	(20.81)	(20.33)	(8.09)
Total Profit Before Tax, Minority Interest and ESOP Charge Out	(109.58)	(65.16)	(29.56)
Provision for Current Tax/FBT	(5.29)	6.14	0.63
Profits After Tax (before minority interest)	(104.29)	(71.30)	(30.19)
Minority Interest	(66.38)	0.00	(29.09)
Profits After Tax and Minority interest	(37.90)	(71.30)	(1.11)
ESOP Charge Out	2.33	0.00	0.00
Profits After Tax and ESOP Charge Out	(40.24)	(71.30)	(1.11)
Exchange Fluctuations	10.81	(49.28)	0.00
Profits After Exchange Fluctuations	(51.05)	(22.02)	(1.11)
Provision for Deferred Tax	0.00	1.65	29.79
Net Profit after Deferred Tax	(51.05)	(23.67)	(30.89)

Television Eighteen India Limited:
Group's Consolidated Unaudited Financial Performance for the Quarter ended 30th September 2009

Particulars	Q2 2009-10	Q2 2008-09	Q1 2009-10
REVENUES	1240.11	1302.59	1073.26
Operating Expense	1250.53	1209.25	1035.93
Operating Profit	(10.42)	93.34	37.33
Operating Margin	-0.84%	7.17%	3.48%
Net Outflow on Revenue Share with CNBC	(35.06)	(45.04)	(36.83)
Interest/Income from Investments	35.88	134.03	37.32
Interest Expense	(327.32)	(251.87)	(317.33)
Interest (Net)	(291.44)	(117.85)	(280.01)
Depreciation	(125.80)	(115.25)	(122.48)
Total Profit Before Tax, Minority Interest and ESOP Charge Out	(462.71)	(184.80)	(401.98)
Prior period income/(expense)	(8.33)	0.00	0.00
Total Profit Before Tax, Minority Interest, ESOP Charge Out but After Prior period income/(expense)	(471.04)	(184.80)	(401.98)
Provision for Current Tax/FBT	(7.47)	30.23	14.37
Profits After Tax (before minority interest and ESOP charge out)	(463.57)	(215.03)	(416.35)
Minority Interest	(65.11)	(39.12)	(2.33)
Share in Loss of associates (ibn18 Broadcast Ltd.)	(165.29)	0.00	11.83
Profits After Tax and Minority Interest (before ESOP charge out)	(563.74)	(175.91)	(402.19)
ESOP Charge Out	7.04	35.80	10.82
Profits After Tax and ESOP Charge Out	(570.78)	(211.71)	(413.00)
Exchange Fluctuations	60.45	34.01	(19.08)
Profits After Exchange Fluctuations	(631.23)	(245.72)	(393.92)
Provision for Deferred Tax	29.79	29.79	12.71
Net Profit After Deferred Tax	(661.02)	(275.51)	(406.64)
Paid up Equity Share Capital	600.07	598.42	600.07
EPS (Rs.) without ESOP Charge Out	(5.45)	(1.75)	(3.30)
EPS (Rs.) with ESOP Charge Out	(5.51)	(2.30)	(3.39)

BUSINESS OVERVIEW

Television Eighteen India Ltd (TV18) [BSE: 532299, NSE: TV18] operates India's leading business news television channels, CNBC-TV18 and CNBC Awaaz. It also runs one of India's largest Internet players - Web18, as well as one of India's leading real time financial information and news terminals - Newswire18. TV18 has recently forayed into print & publishing through Infomedia18, India's leading special interest publishing and printing operations player.

1. BUSINESS TELEVISION

- CNBC-TV18 – India's No.1 business medium.
- CNBC AWAAZ – India's leading consumer focused business channel

2. PUBLISHING & PRINT

- INFOMEDIA18 – India's leading special interest & B2B publisher. Publishers of Yellow Pages, 'Overdrive', 'Chip' magazine amongst others.
- FORBES INDIA – The group recently launched "Forbes India", the first Indian title of a foreign news magazine. As may be recalled, earlier in the calendar year, the I&B ministry announced a change in regulation with regards to foreign news periodicals.

3. CONSUMER INTERNET

- WEB18 – Portals across the content, transaction, subscription & mobile spectrum
 - CONTENT – In.com, Moneycontrol.com, Iblive.com, Cricketnext.com, Tech2.com, Compareindia.com
 - TRANSACTION – Yatra.com, Bookmyshow.com, 51818 Mobile
 - SUBSCRIPTION - Jobstreet.com, Poweryourtrade.com, Commoditiescontrol.com, Indiaearnings.com

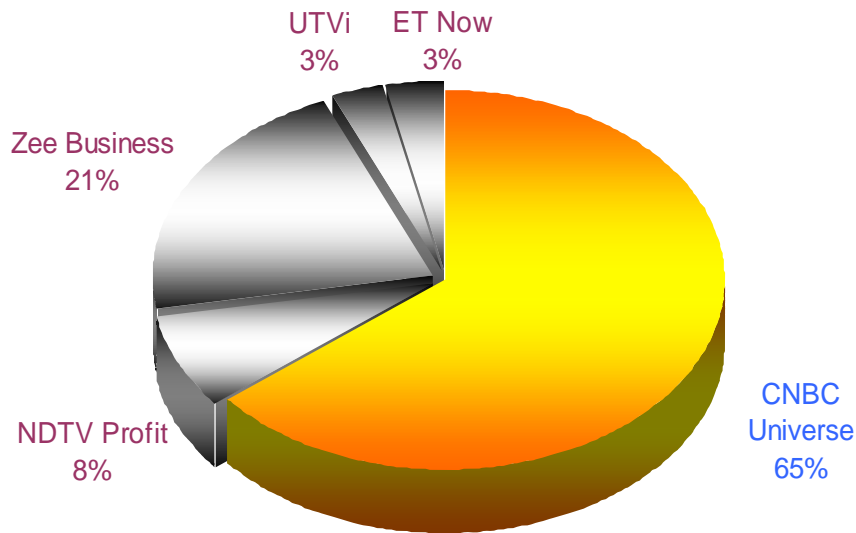
4. REAL TIME DATA & INFORMATION

- NEWSWIRE18 – India's leading provider of real-time market data and news for participants in the financial markets.

CNBC TV18 & CNBC AWAAZ – Sustained leadership in business news & information

India’s leading business news channels CNBC-TV18 & CNBC AWAAZ continued to be the leading sources for business information in the country ranging from investing & markets to corporate news, industry trends, consumer news and lifestyle. For the quarter under review, the CNBC channels led the business news genre with a 65% share. (See fig below).

CNBC-TV18 & CNBC AWAAZ: DOMINANT DUO IN BUSINESS NEWS



Source: TAM, TG: CS AB Male 25+, Market: All India, Market Share, Time Period: 1st Jul – 26th Sep '09, All Days 0600-2400 hrs

Out of Home: Do note that the existing TV viewership measurement mechanisms though essential do not project the actual audience delivery by a media platform like CNBC TV18 & CNBC AWAAZ. The CNBC TV18 & CNBC AWAAZ services attract large amounts of viewership out of home (OOH) especially in corporate offices, institutions, business areas, markets etc.

Key highlights:**Programming**

- **News leadership** – Through the quarter, CNBC-TV18 continued to be the medium of choice for all major news developments, both from a national as well as global standpoint. The beginning of the quarter saw the new govt's first major policy announcement, the UNION BUDGET. CNBC-TV18 added to its decade old legacy of benchmark coverage of this key economic event, with a comprehensive portfolio of programming involving a wide array of domain experts and a diversified set of formats including on-air shows, ground events and segments. Apart from this, the channel continued to present benchmark daily coverage of corporate news, policy matters, industry developments and capital markets in India and from global business hubs.
- **Content Differentiation** – During the period, CNBC-TV18 launched innovative new shows such as "India Inc: Gen Next" which focused on the next generation of business leaders from India's biggest business houses. Through its regular shows and recently launched properties such as "Tycoons with Vir Sanghvi" and unique formats such as "RD 360" & "Riders in the Storm", the channel continued to deliver topical, insightful and trend spotting programming to its viewers.

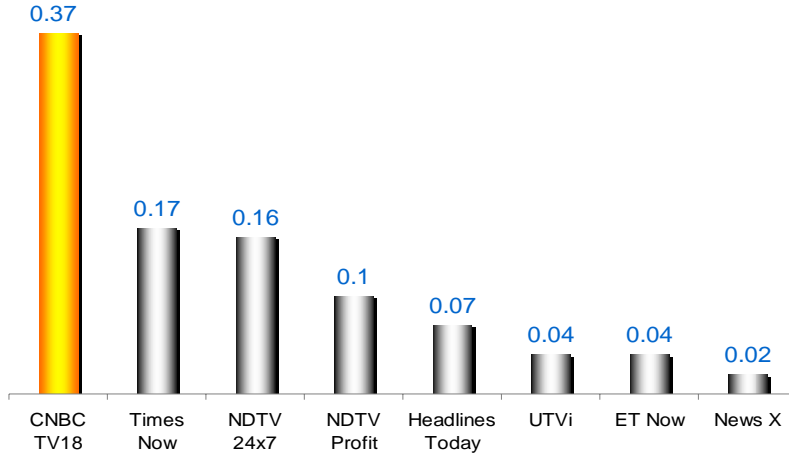
Special Properties

- CNBC-TV18 continued to engage with key stakeholders, viewers, advertisers & investors as well as the industry through its multiple benchmark special properties. These included:
 - "All for this one moment" Season 2: An innovative format where India's biggest business legends reminisce about their business & personal journey.
 - Financial Advisor Awards – In its 3rd edition, the benchmark award for the country's financial advisor community attracted the nation's best & brightest financial minds, with over 10,000 nominations.
 - High Performance series – A powerful special series, which delivered an insight into the growth strategies followed by the leading & most successful corporations.

Viewership Performance

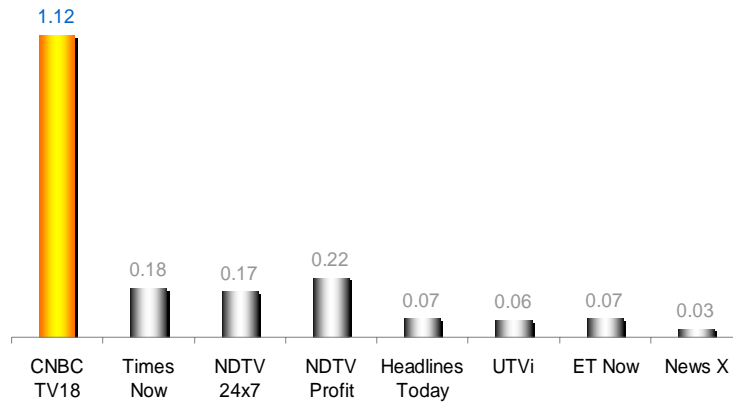
For period under review, CNBC-TV18 led the news genre and emerged as the nation's most preferred news source amongst the core audiences.

CNBC-TV18: INDIA'S MOST PREFERRED NEWS SOURCE



Source: TAM, TG: CS AB Male 25+, Market: All India, Channel Share, Time Period: 1st Jul – 26th Sep '09, All Days 0600-2400 hrs

CNBC-TV18: MARKET HOUR LEADERSHIP



Source: TAM, TG: CS AB Male 25+, Market: All India, Channel Share, Time Period: 1st Jul – 26th Sep '09, Weekdays, 900-1600 hrs

CNBC AWAAZ

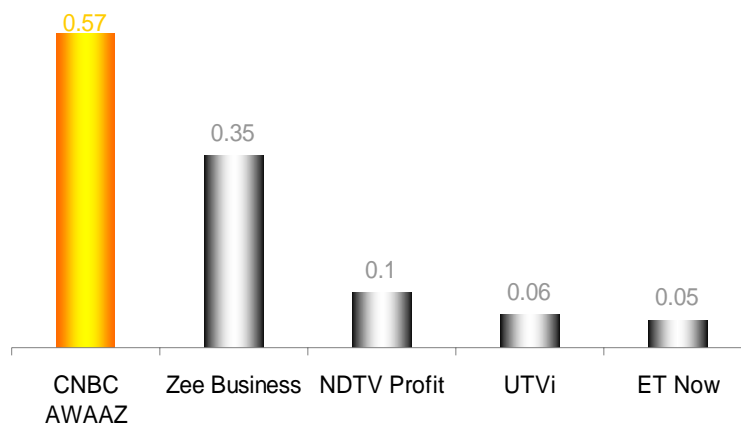
Key highlights:

Programming

- CNBC AWAAZ launched a spate of new shows that answered the evolving needs of the Hindi speaking business consumer & investor. Shows & properties such as
 - “Big Boss se Khaas Mulaqat”: A special series, which focused on the country’s leading executives as they steer their companies towards consistent growth and profitability.
 - “Commodity Call”: A regular focused exclusively on this increasingly popular asset class where experts would answer all forms of market and investor queries on investing in commodities.
 - “Festival Bazaar”: An exclusive pre-Diwali series was launched which highlighted the shopping choices available to consumers and advised on investing as well.
 - “Picks of the day”: The channel continued to strengthen its stock investing content with shows such as this one.

Viewership Performance

CNBC AWAAZ: LEADING FROM THE FRONT



Source: TAM, TG: CS AB Male 25+, Market: HSM, Channel Share, Time Period: 1st Jul – 26th Sep '09, All Days 0600-2400 hrs

Key Highlights:

India's leading Internet player continued to build on its leadership in the online space through strong traffic sustenance on its web portals, growth in its WAP services portfolio and continued innovation in its features & offerings.

In.com

- IN.COM continued to expand further on its presence and sustained its No.2 position among Indian horizontal portals. IN.COM recently completed its first anniversary and is positioned for the next level of growth.
- Web18 in association with GECOM International, launched a unique web initiative christened "Myschool.in.com" which aims to connect all key school stakeholders through a real time, virtual community.
 - The community has already attracted over 50,000 registrations within 2 months of launch across 68 cities in India. The first anchor client of Myschool.in.com was the prestigious Ryan International Group of Institutions.

IBNLIVE.COM

- Alliance with Facebook: Iblive.com integrated the Iblive fan club on each of the story pages of Iblive.com. This inturn propelled an increase in the Iblive fan club base on one of the world's leading social networking web destinations, Facebook.com. The fan club base expanded substantially from 1600 in Jul'09 to almost 9000 by Sep'09. This alliance further strengthened the traffic inflow into ibnlive.com due to over 250,000 clicks from Facebook, resulting in an incremental 1 million page views for IBNLive.com.

MOBILE18

- Web18 further strengthened its strategic position in the WAP space with an impressive increase in usage traction. On the anvil are alliances with leading telecom operators for the implementation of the Moneycontrol financial services on the IVR platform.

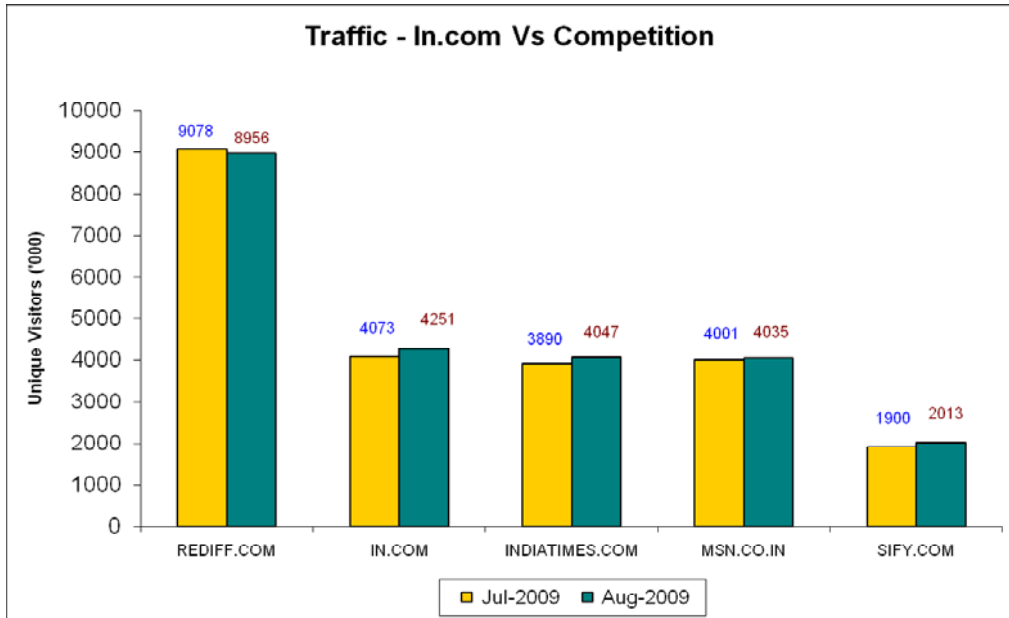
MONEYCONTROL.COM

- MONEYCONTROL.COM, India's No.1 financial portal, continued to strengthen its market leadership by providing benchmark financial news coverage & services to its users.
- Web18 in association with Intuit Inc. has launched Intuit Money Manager, an innovative personal finance tool, which provides a smart and easy way to manage personal finances. The beta version was launched on Moneycontrol.com in Aug'09.
- Moneycontrol has achieved a registered user base of over **2 million members** – highest in the country in 'Finance' category
- Average time spent on the site is over **23 minutes per visit*** as against an Indian average of 4-5 minutes per visit
- 85% of Moneycontrol users, using the site's Portfolio tracking service, have investments worth more than INR 300000 (on a base of approx 1.2 million Portfolio users)
- Moneycontrol had over **2.25 million monthly visits*** during this quarter which is way ahead of Rediff Finance & Yahoo Finance.

* (Jul-Sep 09 data – Google Analytics)

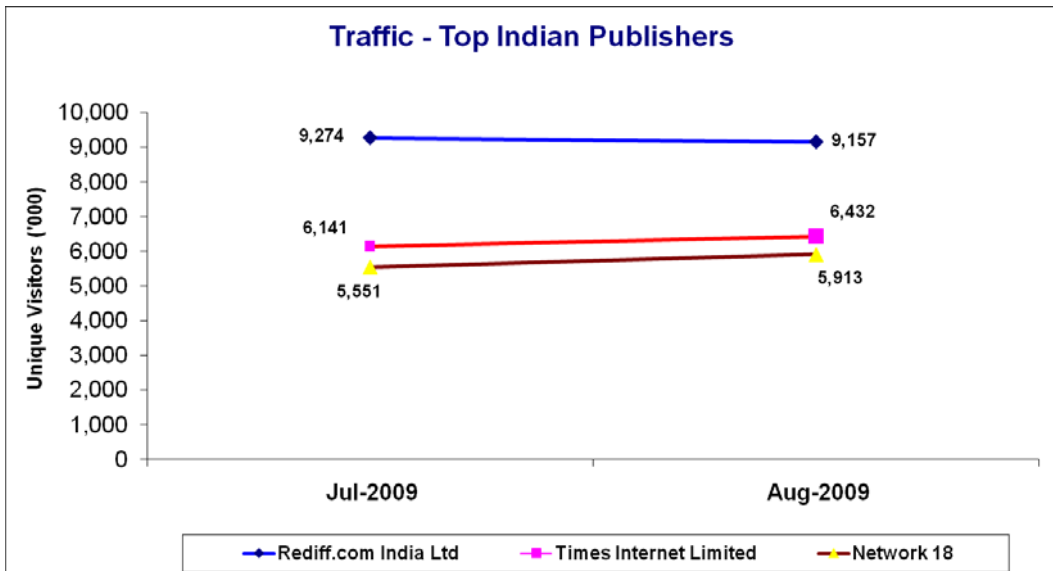
- Web18 delivered web services including website development for noteworthy clients & initiatives such as Mastek (for their multiple geographies), Religare Insurance, Fear Factor2: KKK (MTV), Dale Carnegie, Delhi Public School.

IN.COM: SUSTAINING LEADERSHIP, NO.2 INDIAN PORTAL SINCE LAUNCH



Source: Comscore

WEB18: STRONGEST GROWTH RATE, POSITIONED FOR MARKET LEADERSHIP



Source: Comscore

NEWSWIRE18

In spite of a challenging market environment, Newswire18 delivered a credible performance in the period under review:

Key Highlights:

- **Sales Growth** - NewsWire18 net new sales increased despite customer cancellations continuing even in the face of the improving business environment. Q2 gross new sales rose 40% over the previous quarter. On a net basis, new sales more than quadrupled over the previous quarter, partly reflecting the improving business sentiment. Sales are expected to get a significant push in the second half of the year as large customers continue their aggressive focus on costs, particularly technology costs.
- **Operating Profitability** - Riding on this increase, Q2 income from operations rose 6% over Q1 and by 50% year-on-year. Expenses rose 3% sequentially as well as year-on-year. This helped the company post its first EBIDTA positive quarter, the 11th quarter of its operations since launch of business.
- **Product Development** – The addition of new applications & tools to the portfolio is expected to strengthen sales in the coming months. These new applications include a state-of-the-art third party charting tool sourced from a global leader in the business and a community chat application. Moreover, with the equity market emerging out of its earlier lows, the new excel add-ins developed in-house, 'MarketWatch' and 'StockScreener', are expected to help. The company is now looking to tap the retail market for news sales, particularly for the equities segment. The mobile application and SMS products are both expected to be launched in the third quarter and are expected to start generating revenues from FY11.

INFOMEDIA18**Key highlights:**

- In Sep'09, Infomedia18 launched the India edition of the "Entrepreneur", the world's leading magazine focused on entrepreneurship.
- India's leading auto magazine "Overdrive" celebrated its 11th anniversary with a special power packed issue.
- Infomedia Yellow Pages were repositioned with a new look and packaging. The 17th edition of Mumbai Yellow pages was also launched in this quarter.
- Infomedia Yellow Pages was selected as a "Superbrand" in its category for the year 2009-10
- "Know Your city": A much improved version of the acclaimed City Guide was launched in Aug'09.
- Infomedia18 Alibaba division launched a newly priced product "Global Gold Standard" at a premium price of \$ 999/per membership per annum, which has received an encouraging response from the trade.

SPECIAL NOTE - FORBES INDIA



LAUNCH ISSUE COVER OF "FORBES INDIA"
FIRST INDIAN EDITION OF A FOREIGN NEWS MAGAZINE TITLE

Forbes is the world's leading business magazine and since its inception in 1917, it has stood unwavering, for one overriding principle: the unshakable belief in the power of free enterprise. In India, Forbes launched in partnership with Network18, India's leading full play media entity and the first issue of "Forbes India" hit stands on May 22nd, 2009. Forbes India is set to become India's most influential business magazine drawing from the best that Forbes has to offer worldwide.

- ❑ **FORBES INDIA EDITORIAL PHILOSOPHY:** The editorial philosophy of Forbes India seeks to help its readers connect the dots, form patterns and see beyond the obvious, giving them a completely different perspective. In doing this, it delivers sharp, in-depth and engaging stories by looking at global and domestic issues from an Indian prism. It brings to light ideas and the people generating them, in turn, allowing the reader to get the edge as a professional; and subsequently, opening up the potential for wealth creation.
- ❑ **EDITORIAL EXPERTISE:** The senior leadership team at the magazine has 200 man-years of experience in its ranks—the highest across any magazine in any category in the country and is led by a dynamic and vastly experienced editorial team.
- ❑ **IMPRESSIVE BEGINNINGS** – Commensurate with the Forbes India brand promise and comprehensive launch plan supporting it, the title has already achieved significant milestones in the market. Within a month and a half of launch, Forbes India emerged as one of the highest selling titles in large format retail chains such as Crossword, Landmark and airport bookstores. Within a short time, Forbes India has forged extensive partnerships with leading financial institutions, luxury hotels and leading B-Schools, in its effort to reach out to its target audience- the discerning Indian reader. Notable is Forbes India's alliance with elite automobile major Mercedes-Benz for a variety of initiatives including subscriptions and events.

Note:

"TEML, the Mauritius WOS of TV18, had floated BK Holdings as a Mauritius-based SPV to fund the \$ 50.50 mn infusion into Viacom18 Media (P) Ltd. This SPV was always shown as "held for disposal" on TV18's consolidated balance sheet. Since Viacom18's \$ 50.50 mn stake has now been sold to ibn18, TEML has no further need to keep this SPV. Accordingly, the SPV is proposed to be de-subsidiarised and transferred to Network18 Holdings Cayman (which is a WOS of Network 18 Media & Investments Limited, the parent holding company of TV18), which will become the majority owner with control at the Board and shareholder levels. By this transaction, Network18 Holdings Cayman will take over the onus of arranging repayment of this loan and help TV18 deleverage its balance sheet. TV18 will accordingly seek requisite approvals for implementation."

INVESTOR COMMUNICATION:

TV18's ongoing investor communication endeavors to adopt best international practices and the quarterly investor updates are designed to regularly provide detailed information to investors. Each update covers information pertaining to the reporting period under review. If you would like to get a sequential and continued perspective on the company this report should be read along with the updates sent out earlier. The previous updates can be accessed on request from the contact person mentioned below, or from the companies website www.network18online.com. This update covers the company's financial performance for Q2 FY 2008-09.

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Further information on the company is available on its website www.network18online.com