



**Network18 optimizes for growth –  
Realigns businesses into two focused entities  
All broadcast TV channels in “New” TV18  
All emerging media businesses and overall control with Network18**

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**Mumbai, 7 July 2010** – Raghav Bahl, founder and Managing Director of Network18 said today, “Over the last decade, Network18 has grown into a formidable media group from its humble beginnings in business news. The vagaries of regulation and individual business needs have resulted in a somewhat complicated structure with cross holdings. I am delighted to announce today that we are now reorganizing businesses into two focused entities, each a market leading powerhouse. This simpler, more focused structure will consolidate value for shareholders and catalyze the next stage of growth for the group.”

The Board of Network18 group today approved a re-organization plan to create a simplified two listed entity structure for the group. The New TV18 entity consolidates all TV businesses of the group and owns CNBC-TV18, CNN-IBN, IBN7, CNBC-Awaaz and the group’s 50% stake in Colors, MTV, Nick, VH1 and IBN Lokmat. The New Network18 will hold a controlling interest in New TV18 and will be the operating company for the group’s digital, publishing, sports and event management businesses. New Network18 will also hold all group investments in HomeShop18, Newswire18, DEN, Yatra and Capital18. The new structure will offer shareholders the choice of investing in either the entire Network18 Group or only in the broadcast TV business. It will also create opportunities for harnessing greater operational synergies.

Haresh Chawla, Group CEO of Network18 said, “The New TV18 will be a compelling bouquet of the most vied for channels in the Indian television space, for

all stakeholders – be it viewers or advertisers. Today, this bouquet has the maximum number of market leading brands – significantly more than any peer group. The future will belong to networks and New TV18 is a decisive move aimed at continued leadership. New Network 18 remains well-poised to exploit the gamut of opportunities offered by the television space and multiply that by the significant moves it has been making in new media, print, home-shopping and other emerging businesses. New Network 18 will truly straddle existing and emerging media opportunities and will be the most diversified and future-ready media conglomerate in the country.”

The proposed restructuring will be effective from April 1, 2010 and entails the following broad steps:

- TV18 will consolidate its TV businesses into IBN18 (New TV18)
- Residual TV18 businesses (Web18, Newswire18, Forbes India) with all investments (DEN, Yatra and Capital18 portfolio) will be merged with Network18
- The Yellow Pages and Magazine publishing businesses of Infomedia18 will be merged into Network18 while the printing press operations will continue to remain in the company

The business exchange ratios are based on an independent valuation done by Grant Thornton. The exchange ratios have resulted in an arrangement which transfers businesses on a market cap neutral basis. Shareholders of TV18 will receive shares of IBN18 (eventually, New TV18) in consideration for the transfer of business news channels and shares of Network18 in consideration for the transfer of the residual business. Shareholders of Infomedia18 will retain their existing shares and will receive additional shares of Network18 as consideration for the transfer of the Yellow Pages and Publishing businesses. The ratios are detailed below.

Shareholder with 100 Shares of TV18	Will get <ul style="list-style-type: none"> <li>- 68 Shares of IBN18 (New TV18)</li> <li>- 13 Shares of Network18</li> </ul>
Shareholder with 100 Shares of Infomedia18	Will <ul style="list-style-type: none"> <li>- Retain 100 Shares of Infomedia18</li> <li>- Get 14 Shares of Network18</li> </ul>

The proposed scheme will also lead to the creation of an 8% treasury block in New Network18 which will be held in a trust, to be appropriately monetized for the benefit of shareholders. The proposed restructuring and consolidation is, inter alia, subject to approvals of the shareholders, stock exchanges, High Court and other approvals.

BMR Advisors acted as the transaction and financial advisors to the restructuring.

*This press release is being jointly released by Network18, TV18, IBN18 and Infomedia18*

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Further information on the company is available on its website  
[www.network18online.com](http://www.network18online.com)