

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
DEN NETWORKSLIMITED**

- 1) We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **DEN Networks Limited** ("the Company") for the Quarter and Half year ended 30 September, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part. II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
- 2) We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
- 3) Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 4) We draw attention to note 6 of the Statement wherein it is stated that the Digital Addressable System (DAS) subscription fee has not yet been finalised and the revenue on account of the same has been recognised based on certain estimates which in the management's view are reasonable.
- 5) Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Half year ended 30 September, 2014 of the Statement, from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)



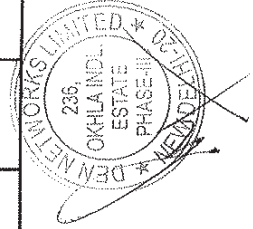
JITENDRA AGARWAL
Partner

(Membership No. 87104)

New Delhi, 14th November, 2014

Den Networks Limited
UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2014

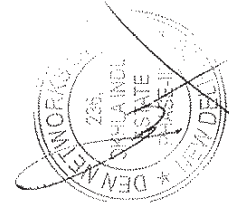
Part-1	Particulars	Consolidated				Stand-alone					
		Quarter ended 30.09.2014 (Unaudited)	Quarter ended 30.09.2013 (Unaudited)	Half year ended 30.09.2014 (Unaudited)	Half year ended 30.09.2013 (Unaudited)	Quarter ended 30.09.2014 (Unaudited)	Quarter ended 30.09.2013 (Unaudited)	Half year ended 30.09.2014 (Unaudited)	Half year ended 30.09.2013 (Unaudited)	Year ended 31.03.2014 (Audited)	
1.	Total Revenue	29,172	27,187	59,053	54,057	111,669	23,115	22,471	45,586	41,861	86,674
	(a) Income from operations	28,910	26,632	58,748	53,194	109,803	22,004	21,390	43,394	32,928	73,887
	(b) Other operating income	262	555	305	863	1,866	1,111	1,081	2,192	933	12,787
2.	Expenses	29,781	22,443	58,274	45,412	96,192	25,854	23,885	49,719	43,095	85,798
	(a) Content cost	10,891	9,054	21,533	17,555	37,173	5,708	5,522	11,230	8,482	18,375
	(b) Operational, administrative and other costs	7,861	6,634	14,508	14,466	28,399	6,427	5,038	11,465	18,139	27,197
	(c) Placement cost	563	552	1,095	1,161	1,792	5,182	5,170	10,352	9,831	20,318
	(d) Subscription share charges	3,180	-	6,278	3,488	3,488	4,396	4,220	8,616	-	6,378
	(e) Personnel cost	2,583	2,499	5,429	5,203	10,601	1,424	1,429	2,853	2,443	5,009
	(f) Depreciation and amortisation expense	4,703	3,704	9,031	7,027	14,740	2,697	2,506	5,203	4,200	8,521
3.	Profit / (loss) from operations before other income, interest and exceptional items (1-2)	(609)	4,744	779	8,645	15,477	(2,719)	(1,414)	(4,133)	(1,234)	876
4.	Other income	2,247	471	4,112	1,144	5,824	2,491	2,099	4,590	1,770	6,988
5.	Profit / (loss) before interest and exceptional items (3+4)	1,638	5,215	4,891	9,789	21,301	(228)	685	457	536	7,864
6.	Interest and other financial charges	2,270	2,428	4,252	4,554	8,897	2,131	1,867	3,998	4,060	8,280
7.	Profit / (loss) after interest but before exceptional items (5-6)	(632)	2,787	639	5,235	12,404	(2,359)	(1,182)	(3,541)	(3,524)	(416)
8.	Exceptional expense - Provision for impairment of non current investment / Loss on sale of investment	-	-	-	-	1,101	-	-	-	-	-
9.	Profit / (loss) from ordinary activities before tax (7-8)	(632)	2,787	639	5,235	11,303	(2,359)	(1,182)	(3,541)	(3,524)	(416)
10.	Provision for tax	691	537	1,120	850	3,789	(182)	(166)	(348)	(1,663)	(933)
11.	Net profit / (loss) from ordinary activities after tax (9-10)	(1,323)	2,250	(481)	4,385	7,514	(2,177)	(1,016)	(3,193)	(1,861)	517
12.	Share of minority interest	722	1,132	1,452	2,252	3,674	-	-	-	-	-
13.	Net profit / (loss) (11-12+13)	(2,045)	1,118	(1,933)	2,133	3,840	(2,177)	(1,016)	(3,193)	(1,861)	517
14.	Paid-up Equity Share Capital (Face value Rs. 10/-)	17,820	17,820	17,820	17,820	17,820	17,820	17,820	17,820	17,820	17,820
15.	Reserves (Net of accumulated losses)	-	-	-	-	167,793	-	-	-	-	158,287
16.	EPS (Not annualised)	(1.15)	0.77	(1.09)	1.48	2.38	(1.22)	(0.57)	(1.79)	(1.29)	0.32
	(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)	(1.15)	0.77	(1.09)	1.48	2.38	(1.22)	(0.57)	(1.79)	(1.29)	0.32
	(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)	(1.15)	0.77	(1.09)	1.48	2.38	(1.22)	(0.57)	(1.79)	(1.29)	0.32



DEN Networks Limited
UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2014

(Rs. In Lakhs except per share data)

Part-I	Consolidated						Standalone					
	Quarter ended 30.09.2014 (Unaudited)	Quarter ended 30.06.2014 (Unaudited)	Quarter ended 30.09.2013 (Unaudited)	Half year ended 30.09.2014 (Unaudited)	Half year ended 30.09.2013 (Unaudited)	Year ended 31.03.2014 (Audited)	Quarter ended 30.09.2014 (Unaudited)	Quarter ended 30.06.2014 (Unaudited)	Quarter ended 30.09.2013 (Unaudited)	Half year ended 30.09.2014 (Unaudited)	Half year ended 30.09.2013 (Unaudited)	Year ended 31.03.2014 (Audited)
Part-II												
A Particulars of shareholding												
1. Aggregate of Public shareholding												
(a) Number of Shares	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386
(b) Percentage of Shareholding	59.95	59.95	59.95	59.95	59.95	59.95	59.95	59.95	59.95	59.95	59.95	59.95
(c) Face Value per share (Rs.)	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-
2. Promoters and promoter group Shareholding												
a) Pledged/Encumbered												
- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Non-encumbered												
- Number of shares	71,360,420	71,360,420	71,360,420	71,360,420	71,360,420	71,360,420	71,360,420	71,360,420	71,360,420	71,360,420	71,360,420	71,360,420
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the company)	40.05	40.05	40.05	40.05	40.05	40.05	40.05	40.05	40.05	40.05	40.05	40.05
B INVESTOR COMPLAINTS												
Quarter ended 30.09.2014 (Unaudited)												
Pending at the beginning of the quarter	Nil											
Received during the quarter	Nil											
Disposed of during the quarter	Nil											
Remaining unresolved at the end of the quarter	Nil											



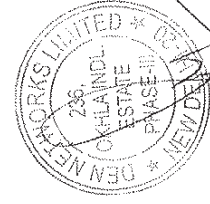
Notes to the unaudited financial results:

- 1 The Consolidated and Standalone unaudited financial results of the Company for the quarter and half year ended September 30, 2014 have been reviewed by the Audit Committee of the Board and have been approved by the Board of Directors at their respective meetings held on November 14, 2014.
- 2 The Statutory Auditors of the Company have carried out the Limited Review of the standalone financial results of the Company for the quarter and half year ended 30 September, 2014.
- 3 During the previous year, the Company has raised funds of Rs. 96,082.16 lakhs by way of Qualified Institutional Placement (QIP) and Preferential Issue of Equity Shares.

The utilization of the above proceeds are as follows:-

Particulars	Amount (Rs. in lacs)
a. Utilization for implementation of DAS, broadband and other infrastructure and services	13,213
b. Issue expenses incurred	2,795
c. Balance amount invested in fixed deposits and mutual funds	80,074
Total	96,082

- 4 The Company has total investments of Rs. 55,161.20 lakhs in subsidiary companies and a joint venture company. Of these, the Company has investment of Rs. 6,271.67 lakhs and has balances of loans/advances of Rs. 197.82 lakhs in various subsidiary companies whose Net Worth as at September 30, 2014 has fully/substantially eroded. Of these, companies with investments aggregating to Rs. 3,487.62 lakhs and with balances of loans/advances of Rs. 80.68 lakhs, whose net worth is fully/substantially eroded have earned profits for the quarter and half year ended September 30, 2014. The management of the Company expects that these subsidiary companies will have positive cash flows to adequately sustain its operations in the foreseeable future. Having regard to the long term investment and strategic involvement no provision for diminution of these investments has been considered necessary.
- 5 Pursuant to TRAI notification, Digital Addressable System (DAS) was implemented in metropolitan cities of the country in phase I with effect from 1 November, 2012 and in 38 other cities in phase II with effect from 1 April, 2013. The Company is in the process of finalising the subscription fee to be billed to subscribers other than for Delhi and Kolkata subscribers where subscription fees has been finalised. Pending finalisation of such subscription fees, the Company has recognised subscriber income on best estimates based on market trends and negotiations with distributors/ local cable operators. Based on its review of such estimates on a regular basis management is of the view that any change arising in the subscription fee once finalised will not have significant impact on the revenue of the Company for the current period.
- 6 Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing after 1 April, 2014, the Company has reassessed the useful life of its fixed assets and has computed depreciation with reference to the useful life of assets as recommended in Schedule II to the Act. Consequently depreciation for the half year ended 30 September 2014 is higher by Rs. 46.66 lakhs and depreciation related to the assets whose life had expired as on 1 April, 2014 is Rs. 120.34 lakhs which has been adjusted with the opening reserves.
- 7 The Company, engaged in the distribution of cable television services has during the current quarter, launched Broadband business in the city of Delhi NCR. In accordance with AS-17 "Segment Reporting", both cable and broadband services are considered as one reportable business segment. The Company, has incurred expenses of approx Rs. 850 lakhs on account of rolling out broadband services during current quarter. The Company, through one of its wholly owned subsidiary, has participated in Indian Super League (ISL) of Soccer and has been awarded the rights for the home town, Delhi. The initiative gives unparalleled opportunity to establish the "DEN Brand" and pave the way in expanding its presence in digital cable and broadband. The same has been considered as separate reportable business segment. The Company has incurred expenses of approx Rs. 416 lakhs on account of these activities. The Company's operations are based in India.



Notes to the unaudited financial results:

9 The segment information for the quarter ended September 30, 2014, June 30, 2014, September 30, 2013, Half year ended September 30, 2014 & 2013 and year ended March 31, 2014 is as follows:

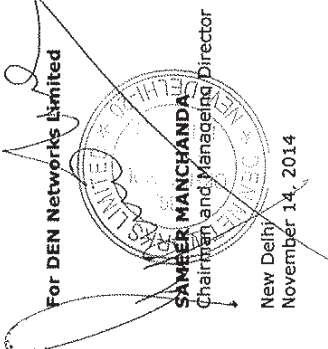
The Company is organized by business which primarily includes two strategic business segments viz. Cable & Broadband Business and Soccer Business segment. The Company's operations are based in India.

Information on reportable segments on the new basis of segmentation for the quarter ended September 30, 2014, June 30, 2014, September 30, 2013, Half year ended September 30, 2014 & 2013 and year ended March 31, 2014 is given below :

Particulars	(Rs. in lakhs)					
	Quarter ended 30.09.2014 (Unaudited)	Quarter ended 30.06.2014 (Unaudited)	Quarter ended 30.09.2013 (Unaudited)	Half year ended 30.09.2014 (Unaudited)	Half year ended 30.09.2013 (Unaudited)	Year ended 31.03.2014 (Audited)
Segment Revenue						
Cable & Broadband	29,172	29,881	27,187	59,053	54,057	111,669
Soccer	-	-	-	-	-	-
Total	29,172	29,881	27,187	59,053	54,057	111,669
Segment Results Profit/ (Loss) before tax and interest from each segment						
Cable & Broadband	2,092 (454)	3,656 (403)	5,215	5,748 (857)	9,789	21,301
Soccer	-	-	-	-	-	-
Total	1,638	3,253	5,215	4,891	9,789	21,301

10 Previous period figures have been reclassified/ regrouped to conform to the classifications adopted in the current period.

For DEN Networks Limited


SAMEER MANCHANDA
 Chairman and Managing Director
 New Delhi
 November 14, 2014