



GLOBAL BROADCAST NEWS LIMITED

Retail Sales Memo

Issue	: 100% Book Building Public Issue
Opening Date	: 15/01/2007
Closing Date	: 18/01/2007
Price Band	: Rs. 230/- to Rs. 250/-
No. of shares offered	: 4,200,000 Equity Shares of Rs. 10 each of which 2,00,000 shares are reserved for employees. Net Offer to the public is 4,000,000 shares.
Issue Size	: At Lower Price Band (Rs. 230/-) : 96.60 Crores At Upper Price Band (Rs. 250/-) : 105.00 Crores
Minimum Shares / Rupees	: 25 Shares / Rs. 6,250/-
Maximum Shares / Rupees	: 400 Shares / Rs. 100,000/-

ISSUE STRUCTURE

	Employees	QIBs	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Up to 200,000 Equity Shares	Up to 2,400,000 Equity Shares	At least 400,000 Equity Shares	At least 1,200,000 Equity Shares
Issue Structure	5% of the Issue	60% of Net Issue	10% of Net Issue	30% Net Issue
Maximum Amount which can be Invested	Rs. 5.00 Crores	Rs.60.00 Crores	Rs. 10.00 Crores	Rs. 30.00 Crores

OBJECTS OF THE ISSUE

The objects of the Issue include

- Investment for expansion into Hindi news genre.
- General Corporate Purposes.
- Repayment of the loan
- Avail of the benefits of listing of the equity shares on the Stock Exchanges.

COST OF PROJECT

	(Rs. in million)
Proposed Expenditure Program	Rupees
Issue Expenses	[*]
Further Investment for expansion into Hindi news genre	458050
Repayment of loan of the company	250.00
General corporate Purposes	[*]
Total Proceeds	1,050.00

Disclaimer: This information memorandum is prepared based on the information available in the "Offer Document" filed with SEBI. IL&FS Investsmart Securities Ltd does take any responsibility for the correctness of the statements in this memorandum. This is Retail Sales Memo is no solicitation for investment in the abovementioned IPO and investors are advised to make their independent analysis before making investment decision. Investors are also requested to read offer document together with risk factors.

Shareholding Pattern : As mentioned in the table below

Shareholders	Before the issue		After the issue	
	No. of Equity Shares	% of total	No. of Equity Shares	% of total
Promoters / Promoters Group				
Network 18	10,411,028	46.21	10,411,028	[*]
RVT Investment Pvt Ltd	4,690,899	20.82	4,690,899	[*]
Raghav Bahl	727,816	3.23	727,816	[*]
Total (A)	15,829,743	70.27	15,829,743	[*]
Non – Promoters (B)	6,698,420	29.73	[*]	[*]
Public	-	-	[*]	[*]
Total (A+B)	22,528,163	100.00	[*]	100.00

Summary of Financials *Rs. in Millions*

Year ending 31-3	2006
Income	65.24
Depreciation	34.07
Interest & Charges	15.78
Other Expenditure	472.65
PBT	(457.26)
Taxation	3.60
PAT	(460.86)
Share Capital	100.00

History:

The Company was incorporated on June 6, 2005 under the Companies Act as Global Broadcast News Private Limited.

Major Events

- Aug 2005 : The company received permission from MIB to uplink an English news television channel.
 Oct 2005 : Brand license agreement with CNN and news services agreement with Turner were executed.
 Dec 2005 : CNN-IBN, the 24 hrs English News Channel was launched
 Jan 2006 : The company entered into an investment-cum-shareholders agreement with IL&FS Pvt Equity Trust.
 Nov 2006 : CNN IBN was voted as "Best English News Channel" at the Indian Television Academy Awards, 2006.

Promoters:

Mr. Raghav Bahl, 45 years, a resident Indian national is the Promoter of the company. He started his career in media in 1985 as a correspondent and anchorperson for Doordarshan. He was the anchorperson and production consultant for India's first monthly video newsmagazine, Newstrack, produced by the India Today group. From 1991 to 1993 he was the Executive Director of Business India Television and produced the Business India Show and Business A.M. on Doordarshan. He is currently the M.D. of TV 18. He graduated in B. A. Hons. (Economics) from St. Stephens College, Delhi University and then did his Masters in Business Administration from the Delhi University.

TV 18 was incorporated on September 24, 1993 as a private limited company. Thereafter under Section 44 of the Companies Act, TV 18 was converted to a public limited company on January 2, 1995. The main objects are a) produce, buy, sell, import, or otherwise deal in television programmes, television films, cinematographic films, video films, video software and to deal in computer software all over India and elsewhere in the world;

(b) Carry on the business of exhibiting and distributing television films, television programmes, video films, cinematographic films and acquiring or selling rights therein;

Business :

The Company is India's leading 24-hour English language news and current affairs channel, 'CNN-IBN'. CNN-IBN was launched in Dec, 2005 and has since its launch been ranked as India's No. 2 English language news channel with an average weekly market share of 34.18% (the market leader has 37.97%) for the four weeks ended July 29, 2006, according to TAM Viewership Data. The Company is also part of the TV 18 group, which owns and operates some of India's leading business channels and internet portals. The TV 18 group owns and operates channels such as CNBC-TV18, Awaaz, South Asia World, etc. We are focused on producing high quality news programming driven by the spirit of 'whatever it takes' to capture news and events around the world. We believe that we are a journalist led channel and have achieved recognition in the short span of our existence due to the editorial integrity and our unbiased, issue based coverage of news and current affairs.

Business Strategy :

Following are the strategies for the conduct of the business

- Increasing the reach and market share.
- Maximizing the advertising revenues.
- Leverage the size & growth in the Hindi news channels.
- Derive subscription revenues.

Competitive Strengths:

The Company believes that they are well positioned to capture considerable growth opportunities in India's news Broadcasting industry because of the following key strengths.

- Company has team of renowned journalists.
- Increasing reach resulting in brand recognition.
- Company has synergies with TV 18 group and the brand and content partner, CNN.
- The Promoters have experience in setting up a successful operating television channels.