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20 July 2009 (London)

## **RECOMMENDED PROPOSAL**

**by**

**UTV Software Communications Limited  
("UTV")**

**to issue New UTV Shares to the holders of the entire  
issued and to be issued share capital of UMP Plc  
("UMP") not already owned by UTV**

### **Summary**

- Further to the announcement made by UMP on 18 May 2009 that it was in discussions with its parent, UTV, in relation to a potential offer for UMP, the board of UTV and the Independent UMP Directors are pleased to announce that they have reached agreement on the terms of a recommended Proposal pursuant to which:
  - the holders of the UMP Shares not already owned by UTV (representing approximately 23.18 per cent. of the entire issued ordinary share capital of UMP) will, for every 3.75 UMP Shares, receive 1 New UTV Share;
  - all the assets and business of UMP will be transferred to UTV; and
  - UMP will be dissolved (without winding up).
- The Proposal values the entire issued ordinary share capital of UMP at approximately US\$194.74 million and each UMP Share at US\$1.87 based on the Indian Closing Price of Rs.341.45 per UTV Share on 17 July 2009, being the last Business Day prior to this announcement. The Proposal represents a premium of approximately:
  - 91.8 per cent. to the closing middle market price of US\$0.975 per UMP Share on 17 July 2009, being the last Business Day prior to this announcement; and
  - 107.8 per cent. to the closing middle market price of US\$0.90 per UMP Share on 15 May 2009, being the last Business Day prior to the announcement by UMP that it was in discussions with its parent, UTV, in relation to a potential offer for UMP.
- It is intended that the Proposal will be implemented by way of a scheme of arrangement between UMP and the Independent UMP Shareholders under section 157 of the Isle of Man Companies Act. The Scheme requires the approval of the Independent UMP Shareholders and the sanction of the Court.

- In order to facilitate the intended tax neutral treatment of the Proposal (so that the issue of the New UTV Shares in consideration of the effective transfer of the UMP Shares held by the Independent UMP Shareholders should not be regarded as a taxable event in India), the implementation of the Proposal will also require a scheme of arrangement between UTV, the UTV Shareholders and the UTV Creditors under sections 391 to 394 (read with section 78 and sections 100 to 103) of the Indian Companies Act which will require the approval of the UTV Shareholders and (if required by the Indian Court) both classes of the UTV Creditors (being the UTV Secured Creditors and the UTV Unsecured Creditors), together with the sanction of the Indian Court. If the Proposal had been implemented without the Indian Scheme, it is likely that the New UTV Shares would have been subject to a one year lock-in period.
- The Scheme will be conditional upon, amongst other things, obtaining certain regulatory approvals in India and the Indian Scheme (so far as it relates to UMP) becoming effective.
- It is intended that there will also be a merger of UTV(Mauritius) (UMP's subsidiary) into UTV pursuant to the Indian Scheme and a scheme of arrangement under Mauritius law between UTV(Mauritius), the UTV(Mauritius) shareholders, the UTV(Mauritius) creditors, UTV and its shareholders and creditors under sections 261 to 264 of (and paragraph 4 of Part II of the Fourteenth Schedule to) the Mauritius Companies Act, which is expected to be effective immediately upon the Scheme and the Indian Scheme becoming effective (when UTV(Mauritius) becomes a wholly owned subsidiary of UTV). However, neither the Scheme nor the Proposal is conditional upon, or in any way dependent on, the Mauritius Scheme becoming effective.
- UTV is a media company based in Mumbai, India. Since it began as a television content company in 1990, UTV has developed into a global integrated entertainment content production and distribution company with five business streams: television (content production and airtime sales), movies (production and distribution), broadcasting, interactive (gaming) and new media. It is an established corporate entity in Indian movie-making and has numerous formal relationships with leading players in the international media industry, including TWDC(SEA), a wholly owned subsidiary of The Walt Disney Company. TWDC(SEA) currently owns 59.94 per cent. of the UTV Shares although, pursuant to the Shareholders' Agreement entered into by TWDC(SEA), the Promoter Group and UTV on 16 February 2008, TWDC(SEA) is not permitted to exercise voting rights in excess of 12,752,500 UTV Shares (which currently represent 48.21 per cent. of the votes entitled to be cast at a general meeting of UTV), until November 2012.
- UTV is listed on the Bombay Stock Exchange and the National Stock Exchange with a market capitalisation of approximately Rs.11.68 billion (approximately US\$239.80 million) based on the Indian Closing Price of UTV Shares on 17 July 2009, being the last Business Day prior to this announcement. For the financial year ended 31 March 2009, UTV had total consolidated revenues of Rs.6,768.45 million (approximately US\$145.70 million) and net profit after tax after minority interest of Rs.356.28 million (approximately US\$7.67 million).
- UMP Plc, formerly UTV Motion Pictures Plc, is a holding company (for UTV(Mauritius)) incorporated in the Isle of Man. UMP's ordinary shares (being the

UMP Shares) were admitted to trading on AIM on 2 July 2007. Approximately 76.82 per cent. of the issued capital of UMP is owned by UTV.

- UTV(Mauritius) is engaged in the media and entertainment industry with operations in the production and distribution of Indian, Hollywood and animation movies in many jurisdictions around the world. The issued share capital of UTV(Mauritius) comprises 80,200,000 ordinary shares of US\$0.05 each, 80,000,000 (99.75 per cent.) of which are held by UMP and the remainder of which are held by UTV.
- The Independent UMP Directors (which excludes Rohinton Screwvala, who is the Chairman and Managing Director of UTV and Siddharth Roy Kapur, who is the Chief Executive Offer of UTV's Motion Pictures division, and who have therefore taken no part in the decision by the Independent UMP Directors to recommend the Proposal), who have been so advised by Jefferies, consider the terms of the Proposal to be fair and reasonable. In providing their advice, Jefferies has taken into account the commercial assessments of the Independent UMP Directors. Accordingly, the Independent UMP Directors intend unanimously to recommend that the Independent UMP Shareholders vote in favour of the Scheme at the Court Meeting as they intend to do in respect of their entire beneficial holdings of UMP Shares, comprising, in aggregate, 100,288 UMP Shares, representing approximately 0.42 per cent. of the UMP Shares held by the Independent UMP Shareholders.
- UTV has also received irrevocable undertakings from TWDC(SEA) and the Promoter Group to vote in favour of the Indian Scheme and the resolution to be proposed to UTV Shareholders at the Indian Court Meeting in respect of a total of 20,722,980 UTV Shares representing, in aggregate, 60.60 per cent. of the UTV Shares and, as a result of the voting restriction in the Shareholders' Agreement and UTV's Articles of Association, 78.35 per cent. of the votes entitled to be cast at the Indian Court Meeting.

### **Cancellation of trading on AIM**

If the Scheme becomes effective, the Company will be dissolved. Application will be made to the London Stock Exchange for the cancellation of the UMP Shares from admission to trading on AIM on or around the Effective Date. A further announcement regarding the precise date of the cancellation will be made in due course. On the date of cancellation, share certificates in respect of the UMP Shares will cease to be valid and entitlements to UMP Shares held within the CREST system will be cancelled.

### **Anticipated timetable of principal events**

The expected timetable differs from the standard timetable under the City Code on Takeovers and Mergers due to the specific nature of the Proposal. A summary of the indicative timetable is set out below.

<b>Event</b>	<b>Date</b>
Following this announcement, applications made to the Indian Stock Exchanges	mid July 2009
Consents received from the Indian Stock Exchanges and then:	end August 2009

- applications made to FIPB and RBI	
- applications made to the Isle of Man and Indian courts for directions hearings	
Scheme Document posted to the Independent UMP Shareholders convening the Court Meeting	mid September 2009
Indian Scheme Document posted to the UTV Shareholders and the UTV Creditors convening the Indian Court Meeting	mid September 2009
Court meetings of the Independent UMP Shareholders, the UTV Shareholders and (if required) the UTV Creditors	mid October 2009
FIPB and RBI consents received (note that there is no prescribed time limit within which FIPB and RBI are required to respond)	end November 2009
Court Hearing to sanction the Scheme	early December 2009
Court Order registered with the Isle of Man Companies Registry	mid December 2009
Indian Court Hearing to sanction the Indian Scheme	mid January 2010
<b>Effective Date of both schemes:</b>	mid February 2010
Indian Court Order registered with the Indian Registrar of Companies	
UTV allots New UTV Shares to the Independent UMP Shareholders and the UMP business and assets are transferred to UTV	
Cancellation of UMP's AIM admission	
UMP dissolved	
Mauritius Scheme becomes effective and the business and assets of UTV(Mauritius) are transferred to UTV	
Listing of New UTV Shares on BSE/NSE effective	end February 2010

These dates are indicative only and will depend on, amongst other things, the approvals of the Indian Stock Exchanges, the FIPB and the RBI, as well as the Indian Court process to sanction the Indian Scheme which, so far as it relates to UMP, is a Condition of the Scheme).

Commenting on the Proposal, Mr Rohinton Screwvala, Chairman and Managing Director of UTV, said:

"I am pleased we have come to an agreement on this Proposal and that the Independent UMP Directors have unanimously resolved to recommend it. The Proposal provides substantially greater liquidity for the Independent UMP Shareholders and access to enhanced prospects as part of the wider UTV Group."

Commenting on the Proposal, Andrew Carnegie, an independent non-executive director of UMP, said:

"The Independent UMP Directors have considered this Proposal very carefully. We believe that the Proposal offers the Independent UMP Shareholders a fair premium, together with the prospect of enhanced trading liquidity through holding shares in

UTV. It also provides the Independent UMP Shareholders with the opportunity to participate in the much wider operations of UTV (comprising television, interactive, broadcasting and new media) as well as retaining their interests in the existing UMP movie production business. Consequently, and after careful consideration of the Proposal, the Independent UMP Directors have resolved unanimously to recommend the Proposal to the Independent UMP Shareholders."

This summary should be read in conjunction with the full text of the attached announcement (including the Appendices). Certain terms used in this summary are defined in Appendix IV to the attached announcement.

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*Merrill Lynch (a subsidiary of Bank of America Corporation) is acting exclusively for UTV and no one else in connection with the Proposal and will not be responsible to anyone other than UTV for providing the protections afforded to clients of Merrill Lynch or for providing advice in relation to the Proposal or any other matters referred to in this announcement.*

*Jefferies International Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for UMP and no one else in connection with the Proposal and other matters referred to in this announcement and accordingly will not be responsible to anyone other than UMP for providing the protections afforded to the clients of Jefferies International Limited nor for providing advice in relation to the Proposal or any other matter referred to in this announcement.*

### ***Forward looking statements***

*This announcement contains statements about UTV and UMP that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "may", "anticipates", "estimates", "synergies", "cost savings", "projects", "strategy", or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) the expected timetable for completing the Proposal, future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects of UTV, UMP or the Merged Group; (ii) business and management strategies and the expansion and growth of UTV's, UMP's or the Merged Group's operations and potential synergies resulting from the Proposal; and (iii) the effects of government regulation on UTV's, UMP's or the Merged Group's business.*

*These forward looking statements are not guarantees of future performance. They have not been reviewed by the auditors of UTV or UMP. These forward looking statements involve known and unknown risks, uncertainties and other factors which may cause them to differ from the actual results, performance or achievements expressed or implied by such forward looking statements. These forward looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. All subsequent oral or written forward looking statements attributable to UTV or UMP or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward looking statements included in this announcement are based on information available to UTV and UMP on the date hereof. Investors should not place undue reliance on such forward looking statements, and UTV and UMP undertake no obligation to publicly update or revise any forward looking statements.*

*No statement in this announcement is intended to constitute a profit forecast for any period.*

### ***Dealing disclosure requirements***

*Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of UTV or of UMP, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3:30 p.m. (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes effective or lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of UTV or UMP, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Under the provisions of Rule 8.1 of the City Code, all "dealings" in "relevant securities" of UTV or of UMP by UTV or UMP, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.*

*A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).*

*"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.*

*Terms in quotation marks in this section "Dealing disclosure requirements" are defined in the City Code, which can also be found on the Takeover Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Takeover Panel.*

### ***Distribution of this announcement and other matters***

*The distribution of this announcement and the accompanying documents in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.*

*This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this announcement or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This announcement has been prepared in connection with a proposal in relation to a scheme of arrangement pursuant to, and for the purpose of, complying with the law of the Isle of Man and the City Code and information disclosed may not be the same as that which would have been prepared in accordance with laws of jurisdictions outside the Isle of Man or the United Kingdom. Nothing in this announcement should be relied upon for any other purpose.*

*The statements contained herein are made as at the date of this announcement, unless some other time is specified in relation to them, and the issue of this announcement shall not give rise to any implication that there has been no change in the facts set forth herein since that date.*

*No person has been authorised to make any representations on behalf of UMP or UTV concerning the Proposal or the Scheme which are inconsistent with the statements contained herein and any such representations, if made, may not be relied upon as having been so authorised.*

*This announcement does not constitute a prospectus or prospectus equivalent document.*

*No person should construe the contents of this announcement as legal, financial or tax advice and each person who receives this announcement should consult their own advisers in connection with the matters contained herein.*

*This announcement is not an offer for sale of securities in the United States. The New UTV Shares to be issued in connection with the Proposal, have not been, and will not be, registered under the Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States, nor have clearances been, nor will they be, obtained from*

*the securities commission or similar authority of any province or territory of Canada and no prospectus has been, or will be, filed with, such commission or authority or any securities law of any province or territory of Canada nor has a prospectus in relation to the New UTV Shares been, nor will one be, lodged with, or registered by, the Australian Securities and Investments Commission, nor have any steps been taken, nor will any steps be taken, to enable the New UTV Shares to be offered in compliance with applicable securities laws of Japan. Accordingly, unless an exemption under relevant securities laws is available, the New UTV Shares may not be offered, sold, resold or delivered, directly or indirectly, in, into or from the United States, Canada, Australia or Japan or any other jurisdiction in which an offer of the New UTV Shares would constitute a violation of relevant laws or require registration of the New UTV Shares, or to or for the account or benefit of any person located in the United States, Canada, Australia or Japan.*

*Unless otherwise determined by UTV and UMP and permitted by applicable law and regulation, copies of this announcement and any other documents related to the Proposal or the Scheme are not being, and must not be, mailed or otherwise forwarded, distributed or sent in or into the United States, Canada, Australia or Japan. All persons receiving this announcement (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, send or distribute this announcement in, into or from the United States, Canada, Australia or Japan.*



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20 July 2009 (London)

## **RECOMMENDED PROPOSAL**

**by**

**UTV Software Communications Limited  
("UTV")**

**to issue New UTV Shares to the holders of the entire  
issued and to be issued share capital of UMP Plc  
("UMP") not already owned by UTV**

### **1. Introduction**

Further to the announcement made by UMP on 18 May 2009 that it was in discussions with its parent, UTV, in relation to a potential offer for UMP, the board of UTV and the Independent UMP Directors are pleased to announce that they have reached agreement on the terms of a recommended Proposal pursuant to which:

- the holders of the UMP Shares not already owned by UTV (representing approximately 23.18 per cent. of the entire issued ordinary share capital of UMP) will, for every 3.75 of UMP Shares held, receive 1 New UTV Share;
- all the assets and business of UMP will be transferred to UTV; and
- UMP will be dissolved (without winding up).

### **2. Responsibility for considering the Proposal**

A committee comprising the Independent UMP Directors has been established in relation to the Proposal because Rohinton Screwvala, Chairman and non-executive Director of UMP, is also the Chairman and Managing Director of UTV, and Siddharth Roy Kapur, non-executive Director of UMP, is also the Chief Executive Officer of UTV's Motion Pictures division. Rohinton Screwvala and Siddharth Roy Kapur have therefore taken no part in the decision by the Independent UMP Directors to recommend the Proposal.

### **3. UTV as a shareholder in UMP**

On the admission to trading on AIM of the UMP Shares on 2 July 2007, UTV owned 80,000,000 UMP Shares, representing approximately 76.82 per cent. of the issued share capital of UMP. UTV has not bought or sold any UMP Shares since that date and its current holding of 80,000,000 UMP Shares continues to represent approximately 76.82 per cent. of the issued share capital of UMP. UTV will not be

entitled to vote the UMP Shares it owns at the Court Meeting but UTV will undertake to the Court to be bound by the Scheme.

#### 4. **The Proposal**

Under the Proposal, which will be subject to the Conditions and further terms set out in Appendix I to this announcement and the full terms and conditions to be set out in the Scheme Document, the Independent UMP Shareholders will receive the following consideration:

##### **1 New UTV Share for every 3.75 UMP Shares**

The Proposal values the entire issued ordinary share capital of UMP at approximately US\$194.74 million and each UMP Share at US\$1.87 based on the Indian Closing Price of Rs.341.45 per UTV Share on 17 July 2009, being the last Business Day prior to this announcement. The Proposal represents a premium of approximately:

- 91.8 per cent. to the closing middle market price of US\$0.975 per UMP Share on 17 July, being the last Business Day prior to this announcement; and
- 107.8 per cent. to the closing middle market price of US\$0.90 per UMP Share on 15 May 2009, being the last Business Day prior to the announcement by UMP that it was in discussions with its parent, UTV, in relation to a potential offer for UMP.

It is intended that the Proposal will be implemented by way of a scheme of arrangement between UMP and the Independent UMP Shareholders under section 157 of the Isle of Man Companies Act. The Scheme requires the approval of the Independent UMP Shareholders and the sanction of the Court.

In order to facilitate the intended tax neutral treatment of the Proposal (so that the issue of the New UTV Shares in consideration of the effective transfer of the UMP Shares held by the Independent UMP Shareholders should not be regarded as a taxable event in India), the implementation of the Proposal will also require a scheme of arrangement between UTV, the UTV Shareholders and the UTV Creditors under sections 391 to 394 (read with section 78 and sections 100 to 103) of the Indian Companies Act which will require the approval of the UTV Shareholders and (if required by the Indian Court) both classes of the UTV Creditors (being the UTV Secured Creditors and the UTV Unsecured Creditors), together with the sanction of the Indian Court. If the Proposal had been implemented without the Indian Scheme, it is likely that the New UTV Shares would have been subject to a one year lock-in period.

The Scheme will be conditional upon, amongst other things, obtaining certain regulatory approvals in India and the Indian Scheme (so far as it relates to UMP) becoming effective.

#### 5. **Background to and reasons for the Proposal**

UTV's movie business, comprising its equity investment in UMP and its distribution networks across various platforms, is currently the most significant contributor to its overall revenues and profitability, and this is expected to continue for the foreseeable

future. UTV is currently the sole provider to UTV(Mauritius) of a US\$64 million working capital debt facility, which is committed until March 2010 and repayable on twelve months' notice from either party. The growth of the movie production business is likely to require substantial future funding and UTV is of the view that it is much more likely that funding will be available through the Indian equity markets having regard to the relative lack of liquidity in trading of the UMP Shares on AIM. In view of the ongoing working capital funding requirements of the movie production business (and the fact that UTV is the most likely source of funding for UMP), UTV considers that it would be preferable to have full ownership of the business and to seek investment as a single integrated movie business.

Whilst the intellectual property in movies is held in UTV(Mauritius), distribution (for the US, the UK and India) is already carried out by members of the UTV Group. Accordingly, UTV is of the view that the management of the movie business and the exploitation of its intellectual property rights would be enhanced if they were centralised in India.

Finally, UTV considers that the implementation of the Proposal will reduce the exposure of its movie business to the foreign exchange risk arising from UMP accounting and funding in US dollars but (amongst other things) incurring its costs in relation to procuring services from India, save time and costs resulting from maintaining an additional public quotation and simplify compliance with legal, regulatory and fiscal requirements across multiple jurisdictions.

## 6. **Recommendation**

The Independent UMP Directors, who have been so advised by Jefferies, consider the terms of the Proposal to be fair and reasonable. In providing its advice, Jefferies has taken into account the commercial assessments of the Independent UMP Directors. Accordingly, the Independent UMP Directors intend unanimously to recommend that the Independent UMP Shareholders vote in favour of the Scheme at the Court Meeting as they intend to do in respect of their entire beneficial holdings of UMP Shares, amounting in aggregate to 100,288 UMP Shares, representing approximately 0.42 per cent. of the UMP Shares held by the Independent UMP Shareholders.

## 7. **Background to and reasons for the recommendation**

In deciding to recommend the Proposal, the Independent UMP Directors have taken into account a number of factors, including those summarised below.

- **Enhanced trading liquidity:** The Independent UMP Directors believe that the Independent UMP Shareholders who choose to hold the New UTV Shares issued to them in dematerialised form should benefit from the substantially greater liquidity of the UTV Shares on the Indian Stock Exchanges. In the ninety days ending on 17 July 2009, being the last Business Day prior to this announcement, UMP's liquidity has been approximately US\$12,061 in value of UMP Shares traded per day and with trading occurring only on 11.11 per cent. of the available trading days. UTV's liquidity over the same period has been approximately US\$1,296,240 in value of UTV Shares traded per day and with trading occurring on 100 per cent. of the available trading days. The New UTV Shares, provided that they are held in a Demat Account (see paragraph 16 below), will be fully

tradable on the Indian Stock Exchanges upon the granting of admission to listing and trading by the Indian Stock Exchanges. UTV has undertaken to use its best endeavours to procure that the New UTV Shares are admitted to listing and (in relation to New UTV Shares to be held in dematerialised form) to trading on the Indian Stock Exchanges.

- **Improved funding prospects:** The UMP Group is currently funded by means of an ongoing working capital facility provided by UTV to UMP's subsidiary, UTV(Mauritius), which is committed until March 2010 and repayable on twelve months' notice by either party. As part of the Merged Group, the Independent UMP Directors believe that the movie business should have improved access to the larger financial resources of UTV, assisting the achievement of its expansion and future working capital needs.
- **Reduced asset risk:** The Proposal provides increased diversity for the Independent UMP Shareholders as part of the Merged Group that holds a wider portfolio of media interests in many jurisdictions around the world. In particular, the Independent UMP Directors believe that the Independent UMP Shareholders should benefit from exposure to the entire array of UTV's businesses which include interactive (gaming), broadcasting, television (content production and airtime sales) and new media.
- **Fair premium:** On 17 July 2009, being the last Business Day prior to this announcement, the Proposal values each UMP Share at approximately US\$1.87, a premium of approximately 91.8 per cent. to the closing middle market price of US\$0.975 per UMP Share on 17 July 2009 based on the Indian Closing Price of Rs.341.45 per UTV Share on 17 July 2009. In considering the level of the premium, the Independent UMP Directors have taken into account that the Proposal does not represent an offer for a controlling stake in UMP and have also considered the availability of alternative options for the Independent UMP Shareholders.

Additionally, the Independent UMP Directors believe that the Independent UMP Shareholders will benefit from the elimination of the time and costs associated with maintaining a quotation of a subsidiary on a public market.

The Independent UMP Directors note the long duration of the expected timetable for the implementation of the Proposal and have taken this into account in their consideration of the Proposal. The Independent UMP Shareholders should refer to the risk factors related to the Proposal referred to in paragraph 12 below; such risk factors have been taken into account by the Independent UMP Directors.

The Independent UMP Directors consider that the Independent UMP Shareholders are being afforded a valuable opportunity, at an exchange ratio for their UMP Shares which the Independent UMP Directors (who have been so advised by Jefferies) consider to be fair and reasonable, to move their shareholding from that of a subsidiary whose shares are admitted to trading on AIM to that of a parent company with a broader income stream and asset base, whose share trading on the Indian Stock Exchanges is much more liquid. In providing its advice, Jefferies has taken into account the commercial assessments of the Independent UMP Directors.

Accordingly, the Independent UMP Directors intend unanimously to recommend that the Independent UMP Shareholders vote in favour of the Scheme at the Court Meeting that will be convened in due course.

#### **8. Information on UMP**

UMP Plc, formerly UTV Motion Pictures Plc, is a holding company for UTV(Mauritius) and was incorporated in the Isle of Man under company number 000687V. UMP's ordinary shares (being the UMP Shares) were admitted to trading on AIM on 2 July 2007 in conjunction with a placing of 24,137,931 UMP Shares at a price of US\$2.90 per UMP Share. UMP has a market capitalisation of approximately US\$101.53 million based on the closing price of UMP Shares of US\$0.975 on 17 July 2009, being the last Business Day prior to the date of this announcement. Approximately 76.82 per cent. of the issued share capital of UMP is already owned by UTV.

The issued share capital of UTV(Mauritius) comprises 80,200,000 ordinary shares of US\$0.05 each, 80,000,000 (99.75 per cent.) of which are held by UMP and the remainder of which are held by UTV.

UTV(Mauritius) is engaged in the media and entertainment industry with operations in the production and exploitation of Indian, Hollywood and animation movies in many jurisdictions around the world. The main activities of UTV(Mauritius) involve (a) the production (or co-production) of Hindi movies, Indian regional language movies, Hollywood movies and animation (international and Indian) movies and (b) the distribution of these movies (and movies acquired from third parties) through various networks and across several platforms, including Indian and international theatrical, Indian and international home video, television, video on demand, direct to home broadcasts, the internet and others (including Indian and international new media and in-movies advertising and merchandising).

UTV(Mauritius) uses the distribution channels operated by UTV in India, and by its subsidiaries in the US and the UK, and uses third party distributors in several other territories (primarily in Asia, Australia and parts of Europe and Africa). Hollywood movies co-produced by UTV(Mauritius) are distributed by recognised US media distributors, primarily in the US domestic market.

For the financial year ended 31 March 2009, UMP had total revenues of US\$35.13 million and net profit after tax of US\$10.99 million.

#### **9. Information on UTV**

UTV is a media company based in Mumbai, India. Since it began as a television content company in 1990, UTV has developed into a global integrated entertainment content production and distribution company with five business streams: television (content production and airtime sales), movies (production and distribution), broadcasting, interactive (gaming) and new media. UTV is the only integrated media company in India deriving its revenues from multiple streams; from TV content to movies to broadcasting to games to digital and new media.

The UTV Shares are listed on the Bombay Stock Exchange and the National Stock Exchange with a current market capitalisation of approximately Rs.11.68 billion (approximately US\$239.80 million) based on the Indian Closing Price of UTV Shares on 17 July 2009, being the last Business Day before the date of this announcement. For the financial year ended 31 March 2009, UTV had total consolidated revenues of Rs.6,768.45 million (approximately \$145.70 million) and consolidated net profit after tax after minority interest of Rs.356.28 million (approximately \$7.67 million).

The growth of UTV has been noticed by strategic and financial investors with numerous external investments having been received since its inception, including by Newscorp, Warburg Pincus and Mitsui & Co. of Japan. UTV completed its initial public offering in March 2005, which raised Rs.585 million and was twenty-six times oversubscribed. In 2006, TWDC(SEA) made its first strategic investment into UTV which was followed by an additional investment in February 2008. TWDC(SEA) currently holds 59.94 per cent. of UTV's current issued share capital although, pursuant to the Shareholders' Agreement, it may not exercise voting rights in excess of 12,752,500 UTV Shares (which currently represent 48.21 per cent. of the votes entitled to be cast at a general meeting of UTV), until November 2012.

The UTV Group has a well diversified business model spanning five distinct categories:

- **Television** involves the production of content and the sale of commercial air time to advertisers on networks throughout India. UTV has broadcast multiple programmes on 26 channels in 19 countries in seven languages and has a library of over 5,000 hours of programming. UTV also sells air time on Sun Network, India's largest regional network, across its four channels: Sun TV, Surya TV, Udaya and Gemini.
- **Movies** is focused on the production of Indian, Hollywood and animated films and the distribution of such films across various platforms. UTV has more than a decade of experience in movie production having produced / co-produced Bollywood movie blockbusters such as *Chalte Chalte*, *Fiza*, *Swades*, *Lakshya* and *Rang De Basanti* and Hollywood movies, including *The Namesake* and *The Happening*.
- **Gaming** includes video game development, publishing and global distribution across mobile, online and console platforms. UTV has acquired majority stakes in three gaming companies – Ignition (console gaming), which has aggregated and empowered some of the best global talent to create cutting edge high-end console game content; Indiagames (mobile gaming), which has a significant market share in India; and Truegames, which is a US-based start-up company which is developing games for the online platform.
- **Broadcasting** involves the marketing and broadcasting of a diverse set of television channels in India. UTV has strategically focussed on specialty genre channels which are available on cable and satellite distribution.
- **New Media** is a horizon business for the company which attempts to converge UTV's content development and creative capabilities to mobile and internet platforms. This segment specifically targets a youth audience in domains such

as business, finance, entertainment (TV, films and music), gadgets and technology.

#### 10. **Current trading and outlook of UTV**

On 10 July 2009, UTV released its audited results for the year ended 31 March 2009, which included the following financial highlights on a consolidated basis:

- operating revenues for the year reported growth of 53 per cent. to Rs.6,768 million from Rs.4,424 million;
- net profit after tax after minority interest for the year was Rs.356 million;
- segmental revenue contribution for the year as follows: Movies 45 per cent., Television 21 per cent., Games Content 18 per cent., Broadcasting 13 per cent. and New Media 3 per cent.;
- consolidated debt at 31 March 2009 of Rs.4,700 million and consolidated cash and cash equivalents of Rs.1,220 million; and
- total capital employed in operations of Rs.18,572 million.

UTV considers itself to be well positioned to post a revenue growth of 40-50 per cent. for the financial year ended 31 March 2010 and to emerge relatively unaffected by the current economic downturn on account of its low dependence on advertising revenues; its well diversified business portfolio; its spread across various geographies; its established synergies with global partners and strategic investors; and its continuing evaluation of opportunities across its different divisions.

UTV's revenue mix from different segments is expected to remain broadly the same in the short term with a gradually increasing contribution from the gaming and broadcasting segment. The motion pictures segment is expected to record good growth with a larger slate both in terms of number of releases and the size of the movies. However, margins may be under pressure due to the slowdown in TV rights and the emergence of a new syndication model. As UTV is a growth company, a number of its divisions, namely the broadcasting, new media and gaming verticals, are currently in "investment" mode and at various stages of growth. It is likely, therefore, that UTV will require further financing if capital requirements vary from its current plans. Any additional equity financing may be dilutive to UTV shareholders, and debt financing may involve restrictions on financing and operating activities. However, UTV is constantly exploring financing options in both debt and equity at various subsidiary levels, which would include raising capital through the co-production of movies and games and the granting of minority investments in subsidiaries to financial and/or strategic partners.

UTV is considering investing up to 49 per cent., subject to an independent valuation report and regulatory approvals, into an Indian special purpose vehicle that would own and control the Indian Business News Channel, UTVi which is currently owned by the Chairman and Managing Director of UTV, Rohinton Screwvala and other affiliates, who would own the remaining 51 per cent. in the special purpose vehicle.

## 11. **Plans for UMP**

Upon the Scheme becoming effective in accordance with its terms and the New UTV Shares being issued to the Independent UMP Shareholders pursuant to the Scheme and the Indian Scheme, all UMP's assets and business will be transferred to UTV and UMP will be dissolved without a winding up.

UTV expects that the operational business of UMP will continue to be conducted in a manner broadly similar to that in which it is presently conducted, including in relation to places of business and deployment of fixed assets, notwithstanding the benefits of the Proposal relating to enhanced management of the movie business and the exploitation of its intellectual property rights resulting from centralisation in India. As with any business, changes will be made as necessary from time to time following a review of the Merged Group's operations, financial condition and performance.

## 12. **Structure of the Proposal**

### *The Scheme*

The Proposal will be implemented, subject to the satisfaction or (in certain cases) waiver of the Conditions, by means of a Court sanctioned scheme of arrangement between UMP and the Independent UMP Shareholders under section 157 of the Isle of Man Companies Act.

The implementation of the Proposal will also require a scheme of arrangement between UTV, the UTV Shareholders and the UTV Creditors under sections 391 to 394 (read with section 78 and sections 100 to 103) of the Indian Companies Act. The Scheme will be conditional on, amongst other things, the Indian Scheme (so far as it relates to UMP) becoming effective.

It is intended that there will also be a merger of UTV(Mauritius) into UTV pursuant to the Indian Scheme and a scheme of arrangement under Mauritius law, to be effective immediately upon the Scheme and the Indian Scheme becoming effective (when UTV(Mauritius) is a wholly owned subsidiary of UTV).

### *Purpose*

The purpose of the Scheme is to enable UTV to acquire full ownership and control of the movie business now owned by UTV(Mauritius), UMP's subsidiary. Any liabilities of UMP will be satisfied by UMP prior to the effective date of the Scheme. To become effective, the Scheme will require, amongst other things, the approval of a majority in number of the Independent UMP Shareholders present and voting in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the UMP Shares held by such Independent UMP Shareholders, together with the sanction of the Court. The Scheme will only become effective in accordance with its terms upon delivery to the Registrar of Companies of a copy of the Court Order (which must be effected within seven days of the Court Hearing) and all Conditions being satisfied or (in certain cases) waived, including the Indian Scheme (so far as it relates to UMP) becoming effective. Upon the Scheme becoming effective, it will be binding on all of the Independent UMP Shareholders irrespective of whether or not they attended or voted (or how they voted) at the Court Meeting.



Upon the Scheme becoming effective in accordance with its terms, the New UTV Shares will be issued to the Independent UMP Shareholders fully paid and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching thereto, including the right to receive and retain all dividends and other distributions declared or paid by reference to a record date falling after the Effective Date.

#### *The Indian Scheme*

The terms of the Indian Scheme will be consistent with those of the Scheme and those of the Mauritius Scheme subject to the specific requirements of each jurisdiction and the inter-conditionality between the schemes, and must be approved by a majority in number representing 75 per cent. in value of the UTV Shareholders and (if not dispensed with by the Indian Court) UTV Creditors, in each case present and voting at the Indian Court Meeting. The Indian Scheme will also require the sanction of the Indian Court. The Indian Scheme (so far as it relates to UMP) will be conditional on, amongst other things, the completion of all regulatory and procedural formalities in the Isle of Man (which will include the Scheme being sanctioned by the Court), whereupon the transfer of the business and assets of UMP shall be deemed to be effective as of 1 April 2007.

As part of the Indian Court process, SSPA & CO. (Chartered Accountants) and BDO Haribhakti Consulting Pvt. Ltd. have provided an Exchange Ratio Valuation Report and (as required by the listing agreements between UTV and the Indian Stock Exchanges) Collins Stewart has provided a Fairness Opinion. The Exchange Ratio Valuation Report will be submitted to the Indian Court, together with the Fairness Opinion. The Fairness Opinion will also be available for inspection by the UTV Shareholders at the Indian Court Meeting.

#### *Mauritius Scheme*

It is intended that there will also be a merger of UTV(Mauritius) into UTV pursuant to the Indian Scheme and a scheme of arrangement under Mauritius law between UTV(Mauritius), the UTV(Mauritius) shareholders and the UTV(Mauritius) creditors, UTV and its shareholders and creditors under sections 261 to 264 of (and paragraph 4 of Part II of the Fourteenth Schedule to) the Mauritius Companies Act, which is expected to become effective immediately upon the Scheme and the Indian Scheme becoming effective (when UTV(Mauritius) becomes a wholly owned subsidiary of UTV). The Mauritius Scheme will be deemed to be effective as of 1 April 2007. It is to be noted that neither the Scheme nor the Proposal is conditional upon, or in any way dependent on, the Mauritius Scheme becoming effective.

#### *Terms and Conditions*

The Proposal will be on the terms and subject to the Conditions set out in this announcement and to be set out in the Scheme Document, including the obtaining of relevant regulatory approvals, the approval of the Scheme by the Independent UMP Shareholders, the sanction of the Scheme by the Court and the Indian Scheme (so far as it relates to UMP) becoming effective.

In view of the long timetable for the Proposal, it is a requirement of the Implementation Agreement that, if the Independent UMP Directors withdraw, qualify or modify their recommendation of the Proposal at any time after the Court Meeting and prior to the time of the Indian Court Hearing, another meeting of the Independent UMP Shareholders must be convened to afford them the opportunity to vote again on the Proposal. It is a Condition of the Scheme that, at any such meeting, the Independent UMP Shareholders vote in favour of a resolution to continue with the Scheme.

Similarly, in order to facilitate the intended tax neutral treatment of the Scheme (so that the issue of the New UTV Shares in consideration of the effective transfer of UMP Shares by the Independent UMP Shareholders should not be regarded as a taxable event in India), as at the Scheme Record Time, not more than 25 per cent. (by value) of the UMP Shares held by the Independent UMP Shareholders may be held by persons located in jurisdictions where the delivery of New UTV Shares to such persons pursuant to the Proposal would or may infringe the laws of that jurisdiction (each a "Relevant Jurisdiction") or the laws or regulations of India or would or may require UMP or UTV to obtain or observe any governmental or other consent or any registration, filing or other formality (including ongoing requirements) with which UMP or UTV is unable to comply or which UMP or UTV regards as unduly onerous. Further information regarding Overseas Shareholders is set out in paragraph 21 below.

The Scheme Document will include full details of the Scheme, as well as a summary of the Indian Scheme and the Mauritius Scheme, together with notice of the Court Meeting and the expected timetable.

#### *Admission of New UTV Shares to listing and trading*

UTV will apply for the New UTV Shares to be admitted to listing and trading on the Indian Stock Exchanges. It is expected that the New UTV Shares will be listed on the Indian Stock Exchanges within fourteen days of the Scheme becoming effective and that New UTV Shares issued in dematerialised form (but not New UTV Shares in certificated form) will be admitted to trading on the Indian Stock Exchanges at the same time. The listing, and the (where appropriate) admission to trading, of the New UTV Shares is not something that can be guaranteed by UTV, however, and such listing and admission is not a Condition of the Scheme (or of the Indian Scheme). It is possible, therefore, that the Scheme could become effective and the Independent UMP Shareholders will receive New UTV Shares but that either (i) such shares will not subsequently be admitted to listing or trading at all or (ii) the admission of such shares to listing and trading will be delayed. In order to reduce such risks, UTV has undertaken to use its best endeavours to procure that the New UTV Shares are admitted to listing and (where applicable) trading on the Indian Stock Exchanges.

The Independent UMP Shareholders should be aware that only New UTV Shares held in dematerialised form can be traded on the Indian Stock Exchanges and, in order to hold shares in dematerialised form, a Demat Account will need to be established (as referred to in more detail in paragraph 16 below).

### *Timing*

It is expected that the final hearing of the Indian Scheme will be heard within thirty days of the final hearing of the Scheme and that the Scheme and the Indian Scheme (and the Mauritius Scheme) will become effective on the same date.

An outline of the principal timetable milestones is set out below.

<b>Event</b>	<b>Date</b>
Following this announcement applications made to the Indian Stock Exchanges	mid July 2009
Consents received from the Indian Stock Exchanges and then: <ul style="list-style-type: none"><li>- applications made to FIPB and RBI</li><li>- applications made to the Isle of Man and Indian courts for directions hearings</li></ul>	end August 2009
Scheme Document posted to the Independent UMP Shareholders convening the Court Meeting	mid September 2009
Indian Scheme Document posted to the UTV Shareholders and the UTV Creditors convening the Indian Court Meeting	mid September 2009
Court meetings of the Independent UMP Shareholders, the UTV Shareholders and (if required) the UTV Creditors	mid October 2009
FIPB and RBI consents received (note that there is no prescribed time limit within which FIPB and RBI are required to respond)	end November 2009
Court Hearing to sanction the Scheme	early December 2009
Court Order registered with the Isle of Man Companies Registry	mid December 2009
Indian Court Hearing to sanction the Indian Scheme	mid January 2010
<b>Effective Date of both schemes:</b>	mid February 2010
Indian Court Order registered with the Indian Registrar of Companies	
UTV allots New UTV Shares to the Independent UMP Shareholders and the UMP business and assets are transferred to UTV	
Cancellation of UMP's AIM admission	
UMP dissolved	
Mauritius Scheme becomes effective and the business and assets of UTV(Mauritius) are transferred to UTV	
Listing of New UTV Shares on BSE/NSE effective	end February 2010

These dates are indicative only and will depend on, amongst other things, the approvals of the Indian Stock Exchanges, the FIPB and the RBI, as well as the Indian

Court process required to sanction the Indian Scheme (which, so far as it relates to UMP, is a Condition of the Scheme).

*Risk factors related to the Proposal*

**Lack of liquidity for the Independent UMP Shareholders who do not obtain a Demat Account:** In order to enjoy the anticipated benefit of holding more liquid shares in UTV, the Independent UMP Shareholders will be required to open a Demat Account in India. The Independent UMP Shareholders who do not correctly open a Demat Account will be allotted New UTV Shares in the form of physical share certificates and will not be entitled to trade in such New UTV Shares on the Indian Stock Exchanges (although it should be possible for an Independent UMP Shareholder to obtain a Demat Account, and then trade its New UTV Shares, at a later stage).

**The New UTV Shares will not be listed on the Bombay Stock Exchange or the National Stock Exchange immediately after allotment:** The listing, and the admission to trading, of the New UTV Shares on the Indian Stock Exchanges is not a condition of the Scheme (or of the Indian Scheme). Instead, and in accordance with Indian Stock Exchange requirements and Indian practice, the order of the Indian Court will be filed (so that the Scheme will become effective) prior to the granting of permission for listing and admission to trading of the New UTV Shares on the Indian Exchanges. It is possible, therefore, that the Scheme will become effective and the Independent UMP Shareholders will receive New UTV Shares but either that (i) such shares will not subsequently be admitted to listing or trading at all or (ii) the admission of such shares to listing or trading will be delayed. In order to reduce such risks, UTV has undertaken to use its best endeavours to procure that the New UTV Shares are admitted to listing and (where applicable) trading on the Indian Stock Exchanges as soon as practicable and it is expected that such listing and admission to trading will occur within fourteen days following the Effective Date. It is also a Condition of the Scheme that, immediately before the Effective Date, no written communication has been received from the Indian Stock Exchanges and no action has been taken by UTV which could reasonably be expected to prejudice such admission to listing and trading.

**Lack of roll-over relief in respect of UK capital gains:** The Proposal is unlikely to qualify as a reconstruction for UK tax purposes. The Independent UMP Shareholders are therefore likely to be treated as disposing of their UMP Shares and roll over relief on chargeable gains may not be available. The disposal or deemed disposal may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the Independent UMP Shareholder's circumstances and subject to any available exemption or relief. In addition, the issue of the New UTV Shares to the Independent UMP Shareholders could be treated as a distribution and taxable as a dividend in their hands. On the basis that the Independent UMP Shareholders are able to substantiate to HMRC that the transaction is undertaken for genuine commercial reasons or in the ordinary course of making or managing investments, and that enabling an income tax advantage to be obtained is not the main or one of the main objects of the transaction, the issue of the New UTV Shares to the Independent UMP Shareholders should not be treated as a distribution and should not be taxable as a dividend in their hands. The issue would be addressed on the taxpayers' self assessment returns. Further details regarding the intended tax

treatment of the Proposal will be included in the Scheme Document that is to be posted to the Independent UMP Shareholders in due course.

**The Scheme will fail if the share register condition for tax neutral treatment of the Proposal is not satisfied:** One requirement for the tax neutral treatment of the Proposal is that 75 per cent. in value of the Independent UMP Shareholders on UMP's share register at the Scheme Record Time must become shareholders of UTV. It is a Condition of the Scheme, therefore, that not more than 25 per cent. of the Independent UMP Shareholders on UMP's share register at the Scheme Record Time are in Relevant Jurisdictions. In view of this, there is a risk that, even if the Scheme is approved and sanctioned, this 75 per cent. requirement for tax neutral treatment might not be met and the Scheme will not proceed. See paragraph 21 below regarding the steps that the Independent UMP Directors may take to help ensure that this Condition is satisfied.

**Tax neutrality of the Proposal under Indian income tax law:** It is intended that the Scheme will be compliant with the provisions of Section 2(1B) read with provisions 47(vii) of the Indian Income-tax Act so that the Proposal should be regarded as a tax neutral for Indian income tax purposes. The Indian Revenue Authorities have the power to review any transaction, call for necessary information and carry out independent analysis, should they determine that the transaction is not tax neutral from an Indian income tax stand point. Further, they may initiate proceedings to recover tax liability, if any, arising under the transaction. Further details regarding the intended tax treatment of the Proposal and the relevant information to be collated in relation to acquisition of UMP Shares by Independent UMP Shareholders will be included in the Scheme Document that is to be posted to Independent UMP Shareholders in due course.

**Potential Indian tax risk for shareholders in a Relevant Jurisdiction whose New UTV Shares are issued to a nominee:** The Proposal provides for an arrangement under which (i) New UTV Shares shall not be allotted and issued to the Independent UMP Shareholders on UMP's share register at the Scheme Record Time who are in a Relevant Jurisdiction but, instead, would be allotted and issued to a nominee on their behalf appointed by UTV (the "Nominee") and (ii) the Nominee would be required, as soon as practicable, to sell the New UTV Shares so allotted and to account for the proceeds, net of applicable Indian taxes and costs, to the relevant Independent UMP Shareholder. Although the Indian tax analysis of this situation is not clear, it is likely that such Independent UMP Shareholders would suffer a charge to tax in respect of the allotment and issue of the New UTV Shares. Further details on the intended tax treatment of the Proposal will be included in the Scheme Document that is to be posted to the Independent UMP Shareholders in due course.

**Length of timetable increases the risk that a material adverse event may occur before the Scheme becomes effective:** The expected timetable differs from the standard timetable under the City Code and is also much longer than the normal timetable for schemes of arrangement in the UK (which might reasonably be expected not to extend over more than three months). The Proposal requires a much longer timetable because of the Indian regulatory approvals required from the Indian Stock Exchanges, the FIPB and the RBI, as well as the Indian Court process required to sanction the Indian Scheme (which, so far as it relates to UMP, is a Condition of the Scheme). The length of the expected timetable (being over seven months but which

could be longer) increases the possibility that some form of material adverse event occurs with respect to UTV before the Scheme becomes effective. The proposed Scheme also differs from a standard scheme of arrangement in the UK in that the Court will be asked to sanction the Scheme at a time when there are still a number of material Conditions to be satisfied, including the requirement that the Indian Scheme (so far as it relates to UMP) receive the sanction of the Indian Court.

To reflect the possibility of adverse facts or circumstances arising during the long timetable of the Scheme (whether before or after the Court Hearing), a number of the Conditions are expressed to apply until the Indian Court Hearing. In addition, the Implementation Agreement provides a mechanism whereby the Independent UMP Directors may withdraw, qualify or modify their recommendation of the Proposal in the period between the Court Hearing to sanction the Scheme and the Indian Court Hearing to sanction the Indian Scheme.

The Implementation Agreement provides that the Independent UMP Directors must use their best endeavours to consult with UTV and the Panel before any such withdrawal, modification or qualification of their recommendation of the Proposal and it is acknowledged that, in such circumstances, the Independent UMP Directors will not have regard to any matter which is short term in nature or not material in the context of the Proposal as a whole. The Independent UMP Directors may otherwise take account of any material adverse change in circumstances which would have affected their decision to recommend the Proposal.

In the event that the Independent Directors do withdraw, qualify or modify their recommendation of the Proposal following the Court Hearing to sanction the Scheme, the Implementation Agreement provides that they may nonetheless convene, or be required by UTV to convene, a further extraordinary general meeting of the Independent UMP Shareholders to consider a resolution to approve the Scheme in the light of the circumstances which have led to the withdrawal, qualification or modification of the recommendation. If any such extraordinary general meeting is convened, it is a Condition of the Scheme becoming effective that the resolution to approve the Scheme is passed on a poll by a majority in number representing three-quarters in value of the Independent UMP Shareholders present and voting at such meeting.

Further information on the Implementation Agreement is set out in paragraph 18 below.

**Possibility of dilution before the Scheme becomes effective:** It is a Condition of the Scheme that UTV does not effect a rights issue involving the issue of UTV Shares if it features (a) a discount of 10 per cent. or more to the prevailing market price and (b) a record date prior to the Effective Date (being the date on which the New UTV Shares would be issued to the Independent UMP Shareholders). The Scheme does not contain any Condition, however, which could be invoked if UTV effects a rights issue at a discount of less than 10 per cent. to the prevailing market price or issues shares on the basis of a placing or other form of non-preemptive issue. Any such further issuance of UTV Shares would dilute the Independent UMP Shareholders' holdings of New UTV Shares below their anticipated levels and could be at a more advantageous price.

**Controlling influence of TWDC(SEA) and the Promoter Group:** Independent UMP Shareholders are already a minority of UMP compared to the majority holding of UTV. Under the Proposal, Independent UMP Shareholders will become shareholders of UTV and will constitute a minority in relation to both the Promoter Group and TWDC(SEA). Further information on TWDC(SEA) and its relationship with UTV and the Promoter Group is set out in paragraph 13 below.

13. **TWDC(SEA)**

TWDC(SEA) became a shareholder in UTV on 6 September 2006 when it acquired 3,400,000 UTV Shares representing 14.85 per cent. of the issued UTV share capital. In February 2008, TWDC(SEA), the Promoter Group and UTV entered into the Subscription Agreement, pursuant to which TWDC(SEA) agreed to subscribe for a further 9,352,500 UTV Shares and the Promoter Group was granted the Promoter Group Warrants (providing for the right of the Promoter Group to subscribe for 4,532,000 UTV Shares), and the Shareholders' Agreement. As a result of TWDC(SEA)'s subscription of the 9,352,500 UTV Shares pursuant to the Subscription Agreement, TWDC(SEA) became obliged under the SEBI Regulations to make an Open Offer to the public shareholders of UTV to acquire up to 7,745,494 existing UTV Shares, representing 20 per cent. of UTV's issued share capital (assuming exercise in full of the Promoter Warrants).

At present the Promoter Group holds 7,970,480 UTV Shares, representing 23.31 per cent. of UTV's issued share capital (31.47 per cent. on a fully diluted basis) and TWDC(SEA) holds 20,497,994 UTV Shares, representing 59.94 per cent. of UTV's issued share capital (51.60 per cent. on a fully diluted basis). After taking into account the impact of the voting restriction in the Shareholders' Agreement (referred to below), the Promoter Group and TWDC(SEA) are currently able to exercise 30.13 per cent. and 48.21 per cent., respectively, of the votes entitled to be cast at a general meeting of UTV (based on UTV's issued share capital on the date of this announcement). The Promoter Group also continues to hold the Promoter Group Warrants (which are taken into account in determining the above figures on a fully diluted basis).

*Shareholders' Agreement*

In the Shareholders' Agreement TWDC(SEA) has agreed that, during a standstill period ending in November 2012, it will not acquire UTV Shares in excess of 12,752,500 UTV Shares, representing 32.10 per cent. of the current issued equity share capital of UTV (on a fully diluted basis) and will not (save in certain limited circumstances) exercise voting rights in excess of these 12,752,500 UTV Shares. During the same period, the Promoter Group is entitled to acquire from TWDC(SEA) all the shares tendered to TWDC(SEA) in the Open Offer but may not (subject to limited exceptions) acquire more than 40 per cent. of the fully diluted share capital of UTV or exercise in excess of 40 per cent. of the voting rights. After the standstill period, TWDC(SEA) may not acquire any additional UTV Shares without the consent of the Promoter Group and (save in certain limited circumstances) TWDC(SEA)'s share ownership or voting rights cannot exceed 50 per cent.

The Shareholders' Agreement also provides that the UTV board is to comprise twelve directors, three of which are to be appointed by the Promoter Group, three are

to be appointed by TWDC(SEA) and the other six directors are to be independent directors.

TWDC(SEA) has been granted veto rights over major corporate matters, including the commencement or acquisition of any business (outside the UTV movie, gaming, new media or the broadcasting businesses) involving cumulative funding in excess of US\$10 million, the acquisition or sale of any other business for a consideration in excess of US\$30 million, investments of US\$30 million (including in new movies and games) and investments in certain broadcasting services in specified countries. The Promoter Group has independent veto rights over the same matters.

The restrictions in the Shareholders' Agreement summarised above are also reflected in UTV's articles of association.

#### *TWDC(SEA)'s Broadcasting Investment*

UTV's broadcasting business comprises a 75 per cent. shareholding in UTV Global Broadcasting Limited, which has two wholly owned subsidiaries, Genx Entertainment Limited and UTV Entertainment Television Limited. Pursuant to agreements entered into at the same time as the Subscription Agreement and the Shareholders' Agreement, TWDC(SEA) acquired a direct 15 per cent. equity shareholding in UGBL, together with warrants to subscribe for further shares in UGBL which, on exercise, would result in TWDC(SEA) holding a maximum of 37.5 per cent. of the issued share capital of UGBL. The other ten per cent. of the share capital of UGBL is held by Unilazer and, pursuant to an agreement between UTV and Unilazer dated 28 March 2009, UTV has agreed to acquire such shareholding from Unilazer, subject to satisfaction of specified conditions, including receipt of necessary regulatory approvals.

#### *The Proposal*

In order to procure TWDC(SEA)'s support for the Proposal, UTV has given certain undertakings to TWDC(SEA) in relation to the Proposal, including an undertaking that it will not during the five years following the Scheme becoming effective dispose of any interest in the businesses carried on by UMP or UTV(Mauritius) (other than to a direct wholly owned subsidiary).

#### **14. Irrevocable undertakings**

The Independent UMP Directors have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting in respect of their entire beneficial holdings of UMP Shares, amounting in aggregate to 100,288 UMP Shares, representing approximately 0.42 per cent. of the UMP Shares held by the Independent UMP Shareholders.

UTV has also received irrevocable undertakings from TWDC(SEA) and the Promoter Group to vote in favour of the Indian Scheme and the resolution of UTV Shareholders at the Indian Court Meeting in respect of a total of 20,722,980 UTV Shares representing, in aggregate, 60.60 per cent. of the UTV Shares and, as a result of the voting restriction in the Shareholders' Agreement and UTV's articles of association, 78.35 per cent. of the votes entitled to be cast at the Indian Court Meeting.



Further details of the irrevocable undertakings are shown in Appendix III to this announcement.

**15. Management and employees**

UTV has given assurances to the Independent UMP Directors that the existing employment rights, including pension rights and the relevant employment contracts, of the management and employee of UTV(Mauritius) (if any) will be fully safeguarded upon the Proposal becoming effective.

To reflect the considerable amount of additional unforeseen work carried out by the Independent UMP Directors in considering and assisting with the implementation of the Proposal, the Board (excluding the Independent UMP Directors) has agreed that each of the Independent UMP Directors would receive a payment equivalent to twelve months' fees under their current letter of appointment on 15 June 2009 and a further fee of £4,000 per month until the earlier of the expiry of four months from 15 June 2009 and the lapse or withdrawal of the Proposal.

Upon the Scheme becoming effective in accordance with its terms, UMP will be dissolved and the Independent UMP Directors will have no further role in the Merged Group.

**16. New UTV Shares**

On issue, the New UTV Shares will comprise 15.84 per cent. (assuming no exercise of any rights to subscribe for or to convert into UTV Shares) or 13.94 per cent. (on a fully diluted basis) of the UTV Shares. Although TWDC(SEA) currently holds 59.94 per cent. of the UTV Shares (and would hold 50.45 per cent. on implementation of the Proposal assuming no exercise of warrants and options), pursuant to the Shareholders' Agreement (and as reflected in UTV's Articles of Association) TWDC(SEA) is able to vote in respect of only 12,752,500 of the UTV Shares, currently representing 48.21 per cent. of the votes entitled to be cast at a general meeting of UTV (based on UTV's issued share capital at the date of this announcement), until November 2012.

A table summarising the UTV shareholding structure is set out below.

Shareholding	Current Position		Shareholding after issue of New UTV Shares to Independent UMP Shareholders		Enlarged UTV Share Capital (i.e shareholdings after conversion/issue of warrants, ESOP and New UTV Shares to Independent UMP Shareholders)	
	No. of Shares	% Stake	No. of Shares	% Stake	No. of Shares	% Stake
Promoter Group	7,970,480	23.31%	7,970,480	19.62%	7,970,480	17.27%
Promoter Group Warrants	—	—	—	—	4,532,000	9.82%
TWDC(SEA) – Voting	12,752,500	37.29%	12,752,500	<b>31.39%</b>	12,752,500	27.62%
TWDC(SEA) – Non Voting	7,745,494	22.65%	7,745,494	<b>19.06%</b>	7,745,494	16.78%
Public	5,726,994	16.75%	5,726,994	<b>14.09%</b>	5,726,994	12.41%
New UTV Shares	—	—	6,436,782	15.84%*	6,436,782	13.94%*
ESOPs	—	—	—	—	1,000,000	2.17%
<b>Total</b>	<b>34,195,468</b>	<b>100.00%</b>	<b>40,632,250</b>	<b>100.00%</b>	<b>46,164,250</b>	<b>100.00%</b>

\* Note: Pursuant to the Shareholders' Agreement, until November 2012, TWDC(SEA) is permitted to vote only up to 12,752,500 UTV Shares. After the Effective Date, until November 2012, TWDC(SEA) will not be able to vote on 7,745,494 UTV Shares and the effective voting rights of the Independent UMP Shareholders (as holders of New UTV Shares) will be 19.57 per cent. (assuming no exercise or conversion of warrants or options) or 16.75 per cent. (on a fully diluted basis) of the UTV share capital.

The New UTV Shares will have identical rights to, and rank *pari passu* with, the existing UTV Shares and will be fungible with, and form a single class with, such shares.

None of the existing UTV Shares nor any of the New UTV Shares (to be issued pursuant to the Proposal) have been or will be registered under the Securities Act and will be subject to customary restrictions in respect of transfers into the United States.

Under Indian law there may be certain restrictions on foreign residents (including residents of Pakistan and Bangladesh) holding UTV Shares.

As explained in paragraph 21 below, the board of UMP proposes to take steps to prevent persons in Relevant Jurisdictions from becoming shareholders in UMP.

The Independent UMP Shareholders who appear in the register of members of UMP as at the Scheme Record Time will be eligible for the New UTV Shares in accordance with their holding of UMP Shares as at that time.

Ordinarily, trading on the Indian Stock Exchanges can happen only in dematerialised format. The Independent UMP Shareholders who wish to receive shares in dematerialised form will be required to forward to UTV the details of their Permanent Account Number and the details of their Demat Account in India. Details of how to obtain a Permanent Account Number and a Demat Account will be contained in the Scheme Document.

The UTV Shares constitute the only class of issued shares in UTV.

**17. Changes to accounting policy and creation of Business Restructuring Reserve Account**

As part of the Indian Scheme (so far as it relates to UTV(Mauritius) and the Mauritius Scheme, UTV is proposing a reduction of capital by writing off certain assets and offsetting certain expenses against the "Securities Premium Account" up to the extent of the balance available in the Securities Premium Account which, as at 31 March 2009, was Rs.8,781.07 million. The quantum of this reduction will be proposed to the Board of Directors of UTV by the management of UTV on or after the Effective Date and determined by the Board of Directors of UTV on or after such date. The quantum of this reduction is not expected to use the entire balance of the Securities Premium Account.

Accordingly, in terms of the Indian Companies Act and other applicable provisions (if any), upon the Indian Scheme (so far as it relates to UTV(Mauritius)) and the Mauritius Scheme becoming effective, the Securities Premium Account of UTV will be reorganised from the Effective Date and an amount, as approved by the Board of Directors of UTV, will be credited to a new account called the "Business Restructuring Reserve Account" from the Securities Premium Account.

The newly created Business Restructuring Reserve Account will be available towards, amongst other things, the write off by UTV of (i) the expenses incurred in relation to the implementation of the Scheme and (ii) the reduction in value of assets of UTV(Mauritius) that will vest in UTV (pursuant to the Indian Scheme and the Mauritius Scheme), as a result of changes in accounting policies that will be applied with effect from the appointed date in the Indian Scheme (being 1 April 2007).

As and when the board of directors of UTV determines that a part or the balance remaining in the Business Restructuring Reserve Account is no longer required for writing off by UTV of any expenses or reductions in value, a part or the balance (as determined by the board of directors of UTV) will be transferred to the General Reserve account. This transfer can occur at any point in the future at the discretion of the board of directors of UTV.

**18. Implementation Agreement**

UTV and UMP have entered into an Implementation Agreement which contains, amongst other things: (i) certain limited warranties given to UMP by UTV; (ii) certain undertakings by UMP (including in relation to the carrying on of its businesses (in particular, that it will not dispose of the whole or any part of the business and assets of the UMP Group other than in the ordinary course of business or pursuant to the Scheme); (iii) certain undertakings by UTV (including in relation to notifying UMP of certain matters in connection with its business); and (iv) certain undertakings by both parties regarding the implementation of the Scheme, the Indian Scheme and the Mauritius Scheme, including endeavouring to implement the Scheme in accordance with the timetable referred to in paragraph 12 above and endeavouring to achieve satisfaction of the Conditions which relate to such party or which are within its control.

UTV and UMP have agreed that the timetable for the Proposal shall be amended up to 30 June 2010 to such extent as may be reasonably necessary to reflect any delay in

satisfying the Conditions, in particular as regards the approvals required from the FIPB and the RBI.

In view of the long timetable for the Proposal (as referred to in paragraph 12 above), there are also provisions recognising the Independent UMP Directors' ability to withdraw, qualify or modify their recommendation of the Proposal prior to the Indian Court Hearing based on the good faith exercise of their fiduciary duties or their obligations under the Code. The Implementation Agreement provides that, in such circumstances, UTV may request UMP to convene and hold a meeting of the Independent UMP Shareholders to determine whether or not the Proposal should proceed (notwithstanding the circumstances giving rise to such withdrawal, qualification or modification of the recommendation) and it is a Condition of the Scheme that at any such meeting a resolution to proceed with the Scheme is passed on a poll by a majority in number representing three-quarters in value of the Independent UMP Shareholders present and voting in person or proxy at such meeting.

As referred to in paragraph 12 above, the application for admission to listing and trading of the New UTV Shares will be made after the Scheme and the Indian Scheme have become effective, and such admission is not a condition of either scheme. Under the Implementation Agreement, UTV undertakes to use its best endeavours to procure that the New UTV Shares are admitted to listing and (if appropriate) trading on the Indian Stock Exchanges. As UMP will dissolve pursuant to the Scheme upon the Scheme becoming effective, the Independent UMP Directors are parties to the Implementation Agreement solely for the purposes of having the right to enforce this undertaking against UTV after the Scheme becomes effective; the Implementation Agreement also provides that the benefit of this undertaking given by UTV may be directly enforced by the holders of the New UTV Shares from time to time.

The Implementation Agreement may be terminated in certain circumstances, including: (a) if such termination is agreed in writing at any time by UMP and UTV prior to the Effective Date; (b) if the Scheme Document is not posted by 1 December 2009 (or such later date as the parties may agree); (c) if the board of UTV withdraws the Indian Scheme; (d) if at any time TWDC(SEA) or any member of the Promoter Group indicates that it does not intend to comply with the irrevocable undertakings which it has given to vote in favour of the Indian Scheme; (e) if there are certain material breaches of the Implementation Agreement; or (f) if the Scheme has not become effective in accordance with its terms by 30 June 2010.

The Independent UMP Directors are entitled to exercise all of UMP's rights under the Implementation Agreement and shall have full authority on behalf of UMP to negotiate, litigate and settle any claim arising out of such rights.

Further information in respect of the Implementation Agreement will be set out in the Scheme Document.

#### **19. Cancellation of trading of UMP Shares on AIM**

If the Scheme becomes effective, the Company will be dissolved. Application will be made to the London Stock Exchange for the cancellation of the UMP Shares from admission to trading on AIM on or around the Effective Date. On the date of

cancellation, share certificates in respect of the UMP Shares will cease to be valid and entitlements to UMP Shares held within the CREST system will be cancelled.

**20. Disclosure of interests in UMP**

As at the date of this announcement, UTV owns or is otherwise interested in 80,000,000 UMP Shares, representing approximately 76.82 per cent. of the existing issued share capital of UMP.

Save as stated above in this paragraph 20, neither UTV nor any of its directors nor, so far as UTV is aware, any party acting in concert with UTV, has any interest in, or right to subscribe for, any UMP Shares or securities convertible or exchangeable into UMP Shares, nor does any such person have any short position (whether conditional or absolute and whether in money or otherwise) including short positions under derivatives or arrangements in relation to any UMP Shares or securities convertible or exchangeable into UMP Shares. For these purposes, "arrangement" includes any indemnity or option arrangement or any agreement or understanding, formal or informal, of whatever nature, relating to UMP Shares or securities convertible or exchangeable into UMP Shares which may be an inducement to deal or refrain from dealing in such securities.

**21. Overseas Shareholders**

The implications of the Scheme and the Proposal for Overseas Shareholders may be affected by the laws of the jurisdictions in which they are resident, ordinarily resident or of which they are a citizen. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Overseas Shareholders should also consult their own legal and tax advisers with respect to the legal and tax consequences of the Proposal.

One of the requirements of the intended tax neutral treatment of the Proposal (from an Indian tax perspective), is that the Independent UMP Shareholders to whom New UTV Shares are issued on the Scheme becoming effective must represent at least 75 per cent. (by value) of the Independent UMP Shareholders at the Scheme Record Time. The ability to achieve the intended tax neutral treatment of the Proposal will be materially prejudiced, therefore, if, between the date of this announcement and the Scheme Record Time, UMP Shares are transferred to persons located in a Relevant Jurisdiction.

As a result of this, the satisfaction of the 75 per cent. requirement is a Condition of the Scheme and (as contemplated by Articles 38.1 and 38.2 of UMP's Articles), between the date of this announcement and the Scheme Record Time, the Independent UMP Directors intend to take all reasonable steps to prevent the transfer of UMP Shares to a shareholder located in a Relevant Jurisdiction. Such steps may include the Independent UMP Directors determining from time to time to exercise the right in Article 40 of UMP's Articles to close the Register for such period (not exceeding thirty days) as they may consider reasonably necessary.

The Proposal also provides for an arrangement under which (i) New UTV Shares would not be allotted and issued to Independent UMP Shareholders on UMP's share register at the Scheme Record Time who are in a Relevant Jurisdiction but, instead,

would be allotted and issued to a Nominee on their behalf appointed by UTV and (ii) the Nominee would be required, as soon as practicable, to sell the New UTV Shares so allotted and to account for the proceeds, net of applicable taxes, to the relevant Independent UMP Shareholder. Overseas Shareholders should note the risk factor in relation to this arrangement referred to in paragraph 12 above.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

## 22. General

The Proposal and the Scheme will be subject to the Conditions set out in Appendix I. Appendix II contains the bases and sources of certain information contained in this announcement. Details of the irrevocable undertakings are set out in Appendix III. The definitions of certain terms used in this announcement are set out in Appendix IV.

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*Merrill Lynch (a subsidiary of Bank of America Corporation) is acting exclusively for UTV and no one else in connection with the Proposal and will not be responsible to anyone other than UTV for providing the protections afforded to clients of Merrill Lynch or for providing advice in relation to the Proposal or any other matters referred to in this announcement.*

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### ***Forward looking statements***

*This announcement contains statements about UTV and UMP that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "may", "anticipates", "estimates", "synergies", "cost savings", "projects", "strategy", or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) the expected timetable for completing the Proposal, future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects of UTV, UMP or the Merged Group; (ii) business and management strategies and the expansion and growth of UTV's, UMP's or the Merged Group's operations and potential synergies resulting from the Proposal; and (iii) the effects of government regulation on UTV's, UMP's or the Merged Group's business.*

*These forward looking statements are not guarantees of future performance. They have not been reviewed by the auditors of UTV or UMP. These forward looking statements involve known and unknown risks, uncertainties and other factors which may cause them to differ from the actual results, performance or achievements expressed or implied by such forward looking statements. These forward looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. All subsequent oral or written forward looking statements attributable to UTV or UMP or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward looking statements included in this announcement are based on information available to UTV and UMP on the date hereof. Investors should not place undue reliance on such forward looking statements, and UTV and UMP undertake no obligation to publicly update or revise any forward looking statements.*

*No statement in this announcement is intended to constitute a profit forecast for any period.*

### ***Dealing disclosure requirements***

*Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of UTV or of UMP, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3:30 p.m. (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes effective or lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or*

*understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of UTV or UMP, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Under the provisions of Rule 8.1 of the City Code, all "dealings" in "relevant securities" of UTV or of UMP by UTV or UMP, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.*

*A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).*

*"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.*

*Terms in quotation marks in this section "Dealing disclosure requirements" are defined in the City Code, which can also be found on the Takeover Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Takeover Panel.*

#### ***Distribution of this announcement and other matters***

*The distribution of this announcement and the accompanying documents in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.*

*This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this announcement or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This announcement has been prepared in connection with a proposal in relation to a scheme of arrangement pursuant to, and for the purpose of, complying with the laws of the Isle of Man and the City Code and information disclosed may not be the same as that which would have been prepared in accordance with laws of jurisdictions outside the Isle of Man and the United Kingdom. Nothing in this announcement should be relied upon for any other purpose.*

*The statements contained herein are made as at the date of this announcement, unless some other time is specified in relation to them, and the issue of this announcement shall not give rise to any implication that there has been no change in the facts set forth herein since that date.*

*No person has been authorised to make any representations on behalf of UMP or UTV concerning the Proposal or the Scheme which are inconsistent with the statements contained herein and any such representations, if made, may not be relied upon as having been so authorised.*

*This announcement does not constitute a prospectus or prospectus equivalent document.*



*No person should construe the contents of this announcement as legal, financial or tax advice and each person who receives this announcement should consult their own advisers in connection with the matters contained herein.*

*This announcement is not offer for sale of securities in the United States. The New UTV Shares to be issued in connection with the Proposal, have not been, and will not be, registered under the Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States, nor have clearances been, nor will they be, obtained from the securities commission or similar authority of any province or territory of Canada and no prospectus has been, or will be, filed with, such commission or authority or any securities law of any province or territory of Canada nor has a prospectus in relation to the New UTV Shares been, nor will one be, lodged with, or registered by, the Australian Securities and Investments Commission, nor have any steps been taken, nor will any steps be taken, to enable the New UTV Shares to be offered in compliance with applicable securities laws of Japan. Accordingly, unless an exemption under relevant securities laws is available, the UTV Shares may not be offered, sold, resold or delivered, directly or indirectly, in, into or from the United States, Canada, Australia or Japan or any other jurisdiction in which an offer of UTV Shares would constitute a violation of relevant laws or require registration of the New UTV Shares, or to or for the account or benefit of any person located in the United States, Canada, Australia or Japan.*

*Unless otherwise determined by UTV and UMP and permitted by applicable law and regulation, copies of this announcement and any other documents related to the Proposal or the Scheme are not being, and must not be, mailed or otherwise forwarded, distributed or sent in or into the United States, Canada, Australia or Japan. All persons receiving this announcement (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, send or distribute this announcement in, into or from the United States, Canada, Australia or Japan.*

## APPENDIX I

### CONDITIONS AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE PROPOSAL

#### 1. Steps required for the Scheme to take effect

The Proposal is conditional upon the Scheme becoming effective in accordance with its terms by not later than 30 June 2010 or such later date (if any) as UMP and UTV may agree and the Court and the Panel may allow.

The Scheme will not take effect under the Isle of Man Companies Act unless:

- (a) it is approved by a majority in number representing 75 per cent. or more in value of the Independent UMP Shareholders present and voting, either in person or by proxy, at the Court Meeting;
- (b) it is sanctioned (with or without modification, on terms reasonably acceptable to UMP and UTV) by the Court; and
- (c) a certified copy of the Court Order, together with a copy of the Scheme and all documents required to be annexed to the Scheme (if any), are delivered for registration to the Isle of Man Companies Registry.

UMP and UTV have agreed that, save as agreed between them, the necessary actions to make the Scheme effective under the Isle of Man Companies Act (as referred to in paragraphs (a) to (c), inclusive, above):

- (i) will not be taken unless Conditions 2(b) and (c) (as referred to in paragraph 2 below) have been satisfied or UMP has agreed to defer such satisfaction to a later time (being not later than the time of the Indian Court Hearing); and
- (ii) will only be taken if UTV and/or UMP (as appropriate) has not invoked nor notified the Panel that it intends to invoke (in each case with the consent of the Panel) Conditions (j) to (q) (inclusive) (as referred to in paragraph 2 below).

#### 2. Conditions of the Scheme

The Scheme will not become effective in accordance with its terms unless the following Conditions have been satisfied or waived:

- (a) the approval by the Indian Stock Exchanges of the Indian Scheme pursuant to clause 24(f) of the listing agreement entered into by UTV with the Indian Stock Exchanges (with any conditions imposed by the Indian Stock Exchanges being satisfactory to both UTV and UMP, acting reasonably);
- (b) the approval by the FIPB (with any conditions imposed by the FIPB being satisfactory to both UTV and UMP, acting reasonably) of the issue of the New UTV Shares to the Independent UMP Shareholders in consideration of the transfer of all the assets and business of UMP (a non-news-broadcasting company) under the Indian Scheme (if not satisfied prior to the Court hearing as referred to in paragraph 1 above);

- (c) the approval by the RBI (with any conditions imposed by the RBI being satisfactory to both UTV and UMP, acting reasonably) of the issue of the New UTV Shares to the Independent UMP Shareholders in consideration of the transfer of all the assets and business of UMP under the Indian Scheme (if not satisfied prior to the Court hearing as referred to in paragraph 1 above);
- (d) the approval of the Indian Scheme by a majority in number representing 75 per cent. or more in value of the UTV Shareholders and (to the extent required by the Indian Court) each class of UTV Creditors (being the UTV Secured Creditors and the UTV Unsecured Creditors) present and voting, either in person or by proxy, at the Indian Court Meeting;
- (e) the sanction (with or without modification, on terms reasonably acceptable to UMP and UTV) of the Indian Scheme (so far as it relates to UMP) by the Indian Court;
- (f) the Indian Scheme (so far as it relates to UMP) becoming effective;
- (g) as at the Scheme Record Time not more than 25 per cent. (by value) of the UMP Shares held by the Independent UMP Shareholders are held by persons located in jurisdictions where the delivery of New UTV Shares to such persons pursuant to the Proposal would or may infringe the laws of that jurisdiction or the laws or regulations of India or would or may require UMP or UTV to obtain or observe any governmental or other consent or any registration, filing or other formality (including ongoing requirements) with which UMP or UTV is unable to comply or which UMP or UTV regards as unduly onerous;
- (h) if, at any time between the date of the Court Order and the date of the Indian Court Order, there has been a withdrawal, modification or qualification of the Independent UMP Directors' recommendation of the Proposal, then it is required that:
  - (i) an extraordinary general meeting of the Independent UMP Shareholders has been convened; and
  - (ii) a resolution has been passed at such meeting on a poll by a majority in number representing three-quarters in value of the Independent UMP Shareholders present and voting either in person or by proxy resolving to proceed with the Scheme (for which purposes each Independent UMP Shareholder may cast one vote in respect of each UMP Share held by him);
- (i) no written communication has been received from the Indian Stock Exchanges and no action has been taken by UTV which could reasonably be expected to prejudice the receipt of the approval of the Indian Stock Exchanges in relation to the listing and (in respect of the Independent UMP Shareholders who have supplied correct details of their Demat Account and correctly requested such account to be credited with their New UTV Shares) trading of the New UTV Shares;
- (j) except as (i) publicly announced in accordance with the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 or the rules, bye-laws and regulations of the Indian Stock Exchanges (including the listing rules) by UTV prior to 20 July 2009; (ii) disclosed in this document; or (iii) disclosed in the annual report and accounts for UTV for the period ended 31 March 2009, UTV not

since 31 March 2009 having allotted or issued, or agreed, authorised or proposed the allotment or issue of, additional shares of any class or any securities convertible into or exchangeable for shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or securities, in circumstances where:

- (i) such action constituted or would constitute a rights issue conducted in accordance with section 81(1) of the Indian Companies Act;
  - (ii) such action is at a price or exercise price representing a discount of 10 per cent. or more to the average of the closing market price of UTV Shares on the stock exchange on which the shares of UTV are most frequently traded during the two weeks preceding the board of directors of UTV, or a committee thereof, determining the price for such rights issue and intimating the same to the Indian Stock Exchanges; and
  - (iii) the record date for such rights issue is before the Effective Date;
- (k) except as (i) publicly announced in accordance with the AIM Rules or the Disclosure and Transparency Rules or other applicable requirements by UMP or UTV prior to 20 July 2009; (ii) disclosed in this document; (iii) disclosed in the annual report and accounts for UMP for the period ended 31 March 2009; or (iv) disclosed in the annual report and accounts for UTV for the period ended 31 March 2009, there being no provision of any agreement, arrangement, licence, permit or other instrument or obligation to which any member of the wider UMP Group or wider UTV Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject, which in consequence of the Proposal or the proposed acquisition of any shares or other securities in, or business or assets of, UMP or UTV or because of a change in the control or management of UMP or UTV or otherwise, would or might reasonably be expected to result (in each case to an extent which is adverse to and material in the context of the wider UMP Group or the wider UTV Group taken as a whole (as the case may be)) in any of the following:
- (i) any monies borrowed by or any other indebtedness (actual or contingent) of any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn, inhibited or adversely affected;
  - (ii) any such agreement, arrangement, licence, permit, instrument or obligation or the rights, liabilities or interests of any such member thereunder being terminated or modified or affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iii) any assets or interests of any such member being or falling to be disposed of other than in the ordinary course of business or any right arising under which any such asset or interest will or could reasonably be expected to be required to be disposed of or otherwise will or could reasonably be expected to cease to be available to any such member;

- (iv) the enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, interests or assets of any such member; or
- (v) any such member being obliged to acquire or to offer to acquire any asset owned by any other person,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument or obligation to which any member of the wider UMP Group or wider UTV Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or could result in, or might reasonably be expected to result in, any of the events or circumstances as are referred to in sub-paragraphs (i) to (v) of this paragraph (k) in any case to an extent which is or would be material in the context of the wider UMP Group or the wider UTV Group (as the case maybe) taken as a whole;

- (l) no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, administrative, environmental or investigative authority, body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each a "Third Party") having taken, instituted, implemented or threatened any action, proceeding, suit, investigation, enquiry or reference, or required any action to be taken or information to be provided, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps, or refrained from having taken any other steps, and there not continuing to be outstanding any statute, regulation, order or decision, which would or might reasonably be expected to (in each case to an extent which is adverse to and material in the context of the wider UMP Group or the wider UTV Group (as the case may be) taken as a whole):
  - (i) require, prevent, restrict or materially delay the divestiture, or alter the terms envisaged for any proposed divestiture, by any member of the wider UTV Group or any member of the wider UMP Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own, use or operate any of their respective assets or properties or any part thereof;
  - (ii) impose any limitation on, or result in a delay in, the ability of any member of the wider UTV Group or the wider UMP Group either directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the wider UMP Group or the wider UTV Group or to exercise management control over any such member;
  - (iii) make the Proposal or its implementation or the acquisition or proposed acquisition by UTV or any member of the wider UTV Group of any shares or other securities in, or control of, UMP void, voidable, illegal, and/or unenforceable under the laws of any jurisdiction or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same or impose material additional conditions or obligations with respect thereto or

require material amendment thereof or otherwise challenge or interfere therewith;

- (iv) require any member of the wider UTV Group or the wider UMP Group to acquire or offer to acquire any shares or other securities (or the equivalent) or interest in any member of the wider UMP Group or the wider UTV Group owned by any third party (other than in implementation of the Proposal);
- (v) impose any limitation on the ability of any member of the wider UMP Group or wider UTV Group to integrate or co-ordinate its business, or any part of it, with the businesses of any other member of the wider UMP Group or wider UTV Group;
- (vi) result in any member of the wider UMP Group or wider UTV Group ceasing to be able to carry on business under any name under which it presently does so; or
- (vii) otherwise adversely affect any or all of the business, assets, financial or trading position, profits or prospects of any member of the wider UTV Group or any member of the wider UMP Group,

and all applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Proposal or the acquisition or proposed acquisition of any UMP Shares having expired, lapsed or been terminated;

- (m) all necessary filings or applications having been made in connection with the Proposal and all statutory or regulatory obligations in any jurisdiction having been complied with, and all applicable waiting periods (including any extensions thereof) under any applicable laws or regulations having expired, lapsed or been terminated, in connection with the Proposal or the acquisition by any member of the wider UTV Group of any shares or other securities in, or control of, UMP, or any of its business, assets or property, and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals ("Consents") for the proposed acquisition of any shares or other securities in, or control of, UMP, or any of its business, assets or property, by any member of the wider UTV Group and/or the issue of the New UTV Shares to the Independent UMP Shareholders having been obtained in terms and in a form reasonably satisfactory to UTV and UMP from all appropriate third parties or persons with whom any member of the wider UMP Group or wider UTV Group has entered into contractual arrangements and all such Consents, together with all Consents reasonably necessary or appropriate to carry on the business of any member of the wider UMP Group or wider UTV Group (as the case may be), remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Scheme becomes effective or otherwise unconditional and all necessary statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case where not to do so would have a material and adverse effect on the wider UMP Group or the wider UTV Group (as the case may be) taken as a whole;

- (n) except as (i) publicly announced in accordance with the AIM Rules or the Disclosure and Transparency Rules or other applicable requirements by UMP or UTV prior to 20 July 2009; (ii) disclosed in this document; (iii) disclosed in the annual report and accounts for UMP for the period ended 31 March 2009; or (iv) disclosed in the annual report and accounts for UTV for the period ended 31 March 2009 (as the case may be):
- (i) no change or deterioration having occurred in the business, assets, financial or trading position, profits or prospects of any member of the wider UMP Group or wider UTV Group, in each case which is material and adverse in the context of the wider UMP Group or the wider UTV Group (as the case may be) taken as a whole;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the wider UMP Group or wider UTV Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation, complaint or reference to, any Third Party against or in respect of any member of the wider UMP Group or wider UTV Group having been instituted, announced or threatened by or against or remaining outstanding in respect of any member of the wider UMP Group or wider UTV Group which in any such case is or might reasonably be expected to materially and adversely affect the wider UMP Group or wider UTV Group (as the case may be) taken as a whole;
  - (iii) no contingent or other liability having arisen or increased or become apparent to UTV or UMP which does or would be likely to materially and adversely affect the wider UTV Group or wider UMP Group (as the case may be) taken as a whole; and
  - (iv) no steps having been taken and no omissions having been made which will or are likely to result in the withdrawal, cancellation, termination or modification of any licence or Consent held by any member of the wider UMP Group or wider UTV Group which in either case is necessary for the proper carrying on of its business and which in any case is material in the context of the wider UMP Group or the wider UTV Group (as the case may be) taken as a whole;
- (o) except as (i) publicly announced in accordance with the AIM Rules or the Disclosure and Transparency Rules or other applicable requirements by UMP or UTV prior to 20 July 2009; (ii) disclosed in this document; (iii) disclosed in the annual report and accounts for UMP for the period ended 31 March 2009; or (iv) disclosed in the annual report and accounts for UTV for the period ended 31 March 2009, no member of the wider UMP Group or wider UTV Group (as the case may be) having, since 31 March 2009:
- (i) other than as required by the implementation of the Proposal, made any alteration to its memorandum or articles of association or other constitutional documents which is or could reasonably be considered to adversely affect the *pari passu* status of the New UTV Shares in relation to all other equity shares in the capital of UTV or which otherwise to adversely and materially affect the interests of the Independent UMP Shareholders in the context of the Proposal;

- (ii) other than to another wholly-owned member of the wider UTV Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) which is material in the context of the wider UMP Group or the wider UTV Group (as the case may be) taken as a whole;
- (iii) save for intra-UTV Group transactions, purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or made any other change to any part of its share capital;
- (iv) entered into, varied or terminated or authorised, proposed or announced its intention to enter into, vary or terminate any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which involves or could reasonably be expected to involve an obligation of such a nature or magnitude which is other than in the ordinary course of business and which in any case is material and adverse in the context of the wider UMP Group or the wider UTV Group (as the case may be) taken as a whole;
- (v) become unable or admitted or threatened in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or a substantial part thereof, or ceased or threatened to cease carrying on all or a substantial part of its business, in any case which is material in the context of the wider UMP Group or the wider UTV Group (as the case may be) taken as a whole
- (vi) had instituted against it any proceedings seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or had a petition is presented for its winding-up or liquidation and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (a) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within 60 days of the institution or presentation thereof, in any case with a material adverse effect on the wider UMP Group or the wider UTV Group (as the case may be) taken as a whole;
- (vii) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution, striking off or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed, in each case with a material adverse effect on the wider UMP Group or the wider UTV Group (as the case may be) taken as a whole;
- (viii) entered into or varied, or announced its intention to enter into or vary, any contract, transaction, commitment or other arrangement which is, will or is reasonably likely to be restrictive on the business of any member of the wider UMP Group or the wider UTV Group other than to a nature and extent which



is normal in the context of the business concerned or which is not material in the context of the wider UMP Group or the wider UTV Group (as the case may be) taken as a whole;

- (ix) compromised any claim against it otherwise than in the ordinary course of business or which is of an amount which is not material and adverse in the context of the business of the wider UMP Group or of the wider UTV Group (as the case may be), in each case taken as a whole; or
- (x) entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to, or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in sub-paragraphs (i) to (ix) of this paragraph (o);
- (p) except as (i) publicly announced in accordance with the AIM Rules or the Disclosure and Transparency Rules or other applicable requirements by UMP or UTV prior to 20 July 2009; (ii) disclosed in this document; (iii) disclosed in the annual report and accounts for UMP for the period ended 31 March 2009; or (iv) disclosed in the annual report and accounts for UTV for the period ended 31 March 2009 (as the case may be), UMP not having discovered in relation to the wider UTV Group and UTV not having discovered in relation to the wider UMP Group that:
  - (i) any financial, business or other information concerning the wider UMP Group or wider UTV Group as contained in the information publicly disclosed at any time by or on behalf of any member of the wider UMP Group or wider UTV Group, or disclosed at any time in writing by or on behalf of UTV or UMP to UMP or UTV (respectively) or to or by their respective professional advisers (in each case in the context of the Proposal), is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and was not subsequently corrected before 20 July 2009, in each case to an extent which is material in the context of the wider UMP Group or the wider UTV Group (as the case may be) taken as a whole;
  - (ii) any member of the wider UMP Group or wider UTV Group is subject to any material liability (contingent or otherwise) which is not disclosed in the annual report and accounts of UMP for the year ended 31 March 2009 or the annual report and accounts of UTV for the year ended 31 March 2009 (respectively) and which is material in the context of the wider UMP Group or wider UTV Group (as the case may be) when taken as a whole;
  - (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the wider UMP Group or the wider UTV Group (as the case may be) and which is material and adverse in the context of the wider UMP Group or wider UTV Group, in each case when taken as a whole; or
  - (iv) any circumstance exists whereby a person or class of persons would be likely to have any claim or claims against any member of the wider UMP Group or

wider UTV Group which is material to the context of the wider UMP Group or wider UTV Group, in each case when taken as a whole; and

- (q) except as (i) publicly announced in accordance with the AIM Rules or the Disclosure and Transparency Rules or other applicable requirements by UMP or UTV prior to 20 July 2009; (ii) disclosed in this document; (iii) disclosed in the annual report and accounts for UMP for the period ended 31 March 2009; or (iv) disclosed in the annual report and accounts for UTV for the period ended 31 March 2009 (as the case may be):
- (i) no past or present member of the wider UMP Group or wider UTV Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters, or that there has otherwise been any such disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which disposal, spillage, release, discharge, leak or emission would be reasonably likely to give rise to any liability (actual or contingent) on the part of any member of the wider UMP Group or wider UTV Group and which is material in the context of the wider UMP Group or wider UTV Group as the case may be; or
- (ii) there is, or is reasonably likely to be, for that or any other reason whatsoever, any liability (actual or contingent) of any past or present member of the wider UMP Group or wider UTV Group to make good, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the wider UMP Group or wider UTV Group, under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasigovernmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction and which is material to the context of the wider UMP Group or wider UTV Group as a whole.

For the purposes of these Conditions the "**wider UMP Group**" means UMP and its subsidiary undertakings, associated undertakings and any other undertaking in which UMP and/or such undertakings (aggregating their interests) have a significant interest and the "**wider UTV Group**" means UTV and its subsidiary undertakings, associated undertakings and any other undertaking in which UTV and/or such undertakings (aggregating their interests) have a significant interest, other than in each case UMP and any subsidiary undertakings thereof, and for these purposes "**subsidiary undertaking**", "**associated undertaking**" and "**undertaking**" have the meanings given by the Companies Act 2006 and "**significant interest**" means a direct or indirect interest in ten per cent., or more of the equity share capital (as defined in the Companies Act 2006).

Without prejudice to paragraph 1 above, the Conditions must be satisfied (or, to the extent applicable, waived) as follows:

- (i) Condition 2(a) must be satisfied by the time that the Scheme Document is posted;
- (ii) Conditions 2 (b) and (c) (in each case, if UMP has agreed to defer satisfaction of such Conditions to a time later than the time of the Court hearing as referred to in paragraph 1 above), (d), (h) and (k) to (q) (inclusive) must be satisfied by the time of the Indian Court hearing; and
- (iii) Conditions 2(e), (f), (g), (i) and (j) must be satisfied by the Effective Date,

(or in each such case such later date as UTV and UMP may, with the consent of the Panel and (if required) the Court, agree), failing which the Scheme shall not become effective in accordance with its terms and the Proposal shall lapse.

Subject to the requirements of the Panel and/or (if relevant) the Court:

- (i) UTV and UMP reserve the right to waive in their sole discretion, in whole or in part, all or any of Conditions 2(g) to (j) (inclusive);
- (ii) UTV reserves the right to waive in its sole discretion, in whole or in part, all or any of Conditions 2 (k) to (q) (inclusive), so far as they relate to UMP, the UMP Group or any part thereof; and
- (iii) UMP reserves the right to waive in its sole discretion, in whole or in part, all or any of Conditions 2(k) to (q) (inclusive), so far as they relate to UTV, the UTV Group or any part thereof.

Neither UTV nor UMP (as applicable) shall be under any obligation to waive or treat as satisfied any of Conditions 2 (b), (c), (d), (h) and (k) to (q) (inclusive) by a date earlier than the Indian Court hearing or any of Conditions 2 (e), (f), (g), (i) and (j) (inclusive) by a date earlier than the Effective Date, in each case notwithstanding that the other Conditions of the Scheme may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

The availability of the Proposal to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

This document is not an offer of securities for sale in the United States and the New UTV Shares, which will be issued in connection with the Proposal, have not been, and will not be, registered under the US Securities Act or under the securities law of any state, district or other jurisdiction of the United States, Australia, Canada or Japan, and no regulatory clearance in respect of the New UTV Shares has been, or will be, applied for in any jurisdiction other than India.

The Proposal will be governed by the laws of the Isle of Man and is subject to the jurisdiction of the Isle of Man Courts. The Proposal will comply with the requirements of the City Code and the AIM Rules.

### 3. **Certain Further Terms**

The Proposal will not proceed if, before the date of the Court Meeting, the European Commission initiates proceedings under Article 6(1)(c) of Council Regulation (EEC) 139/2004 in respect of the Proposal or any matter arising from or relating to the Proposal or any matter arising from or relating to the Proposal is referred to the Competition Commission (being the independent public body established by the UK Competition Act 1998).

The New UTV Shares shall be allotted and issued free from all liens, equities, charges, encumbrances and other interests. The New UTV Shares shall be issued and allotted as fully paid and shall rank equally in all respects with existing UTV Shares.

## APPENDIX II

### SOURCES OF INFORMATION AND BASES OF CALCULATION

- The value attributed to the existing issued ordinary share capital of UMP is based upon 104,137,931 UMP Shares in issue at the date of this announcement.
- All prices quoted for UMP Shares are closing prices on the relevant date and are derived from the Daily Official List of the London Stock Exchange.
- All prices quoted for UTV Shares are the average of the closing prices for UTV Shares on the Bombay Stock Exchange and the National Stock Exchange on the relevant date.
- The market capitalisation for UTV is based on the average of the closing prices for UTV Shares on the Bombay Stock Exchange and the National Stock Exchange on 17 July 2009, being the last Business Day prior to this announcement and the 34,195,468 UTV Shares in issue at the date of this announcement.
- The market capitalisation for UMP is based on the closing price for UMP Shares derived from the Daily Official List of the London Stock Exchange on 17 July 2009, being the last Business Day prior to the date of this announcement and the 104,137,931 UMP Shares in issue at the date of this announcement.
- The return on capital employed for UTV is calculated on a consolidated basis by dividing the net profit before minority interest plus depreciation for the year ended 31 March 2009 by the capital employed of UTV as at 31 March 2009.
- Unless otherwise stated, historical profit and loss figures in this announcement have been converted using a currency exchange rate of US\$1.00 to Rs.46.46 which represents the average of the twelve month-end exchange rates for the financial year ending 31 March 2009.
- Unless otherwise stated, a currency exchange rate of US\$1.00 to Rs. 48.69 has been used, being the exchange rate at 3:30 p.m. in Mumbai (being the time the market closes in Mumbai) on 17 July 2009, the Business Day in Mumbai prior to the date of this announcement, as sourced from [www.rbi.org.in](http://www.rbi.org.in).

## APPENDIX III

### DETAILS OF IRREVOCABLE UNDERTAKINGS

1. The Independent UMP Directors have given irrevocable undertakings, as described in paragraph 14 to vote in favour of the resolution to be proposed at the Court Meeting as follows:

<b>Name</b>	<b>Number of UMP Shares</b>	<b>Percentage of UMP Shares held by Independent UMP Shareholders</b>
Andrew Carnegie	90,288	0.37
Peter Vanderpump	10,000	0.04

These undertakings will lapse if there is a competing offer which, in the reasonable opinion of Jefferies, has a value which is at least ten per cent. higher than the value attributed by the Proposal or if the Implementation Agreement lapses or is terminated in accordance with its terms.

2. The following UTV Shareholders have given irrevocable undertakings as described in paragraph 14 to vote in favour of the resolution to be proposed to UTV Shareholders at the Indian Court Meeting:

<b>Name</b>	<b>Number of UTV Shares</b>	<b>Percentage of votes entitled to be cast at Indian Court Meeting</b>
TWDC(SEA)	12,752,500	48.21
Rohinton Screwvala	2,172,347	8.21
Unilazer	3,231,740	12.22
Unilazer HK	2,565,593	9.70
Zarina Mehta	800	00.00

The undertaking by TWDC(SEA) is conditional on UTV complying with certain obligations in relation to the implementation of the Proposal. All undertakings in this paragraph 2 will lapse if the Indian Scheme is cancelled, withdrawn, lapses in accordance with its terms or otherwise does not become effective.

## **APPENDIX IV**

### **DEFINITIONS**

"AIM"	the market by that name operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange from time to time;
"Bombay Stock Exchange" or "BSE"	the Bombay Stock Exchange Limited;
"Business Day"	a day, other than a Saturday or Sunday or public holiday or bank holiday, on which banks are generally open for normal business in the City of London;
"City Code" or the "Code"	the City Code on Takeover and Mergers;
"Companies Act 2006"	the United Kingdom Companies Act 2006;
"Conditions"	the conditions to the implementation of the Scheme and the Proposal, which are set out in Appendix I to this announcement;
"Court"	the High Court of Justice in the Isle of Man;
"Court Hearing"	the Court hearing to sanction the Scheme;
"Court Hearings"	the Court Hearing and the Indian Court Hearing;
"Court Meeting"	the meeting of the Independent UMP Shareholders to be convened by order of the Court pursuant to section 157 of the Isle of Man Companies Act to consider and, if thought fit, approve the Scheme (with or without amendment) (and any adjournment thereof);
"Court Order"	the order of the Court sanctioning the Scheme;
"CREST"	the computerised settlement system to facilitate the holding and transfer of title to or interests in securities in uncertificated form, operated by Euroclear UK & Ireland Limited;
"Demat Account"	an account operated with a depository participant in India in accordance with the provisions of the Depositories Act, 1996 of India (and the rules and regulations under such act) which facilitates dematerialised settlement in relation to trading in UTV Shares on the Indian Stock Exchanges;
"Disclosure and Transparency Rules"	the Disclosure and Transparency Rules, as published by the UK Financial Services Authority;

"Effective Date"	the date on which the Scheme becomes effective in accordance with its terms;
"FIPB"	the Foreign Investment Promotion Board of India;
"fully diluted basis"	the total number of UTV Shares outstanding as of the relevant date assuming the exercise or conversion of all rights to subscribe for or convert into UTV Shares (including, without limitation, all Promoter Group Warrants and all options outstanding at such time under all stock options plans excluding, at all times prior to the Effective Date, all New UTV Shares);
"HMRC"	HM Revenue & Customs;
"Implementation Agreement"	the Agreement made between UTV, UMP and the Independent UMP Directors dated 20 July 2009 relating to the implementation of the Proposal and other ancillary matters;
"Independent UMP Directors"	Andrew Carnegie and Peter Vanderpump;
"Independent UMP Shareholders"	the UMP Shareholders (other than UTV);
"Indian Closing Price"	the average of the closing middle market prices for an UTV Share on the National Stock Exchange and the Bombay Stock Exchange on the relevant date;
"Indian Companies Act"	the Companies Act, 1956 of India (as amended);
"Indian Court"	the High Court of Bombay, India (or any other appropriate authority under sections 391 to 394 (read with section 78 and sections 100 to 103) of the Indian Companies);
"Indian Court Hearing"	the Indian Court hearing to sanction the Indian Scheme;
"Indian Court Meeting"	the meeting of UTV Shareholders and (if required by the Indian Court) UTV Creditors convened by the Indian Court pursuant to sections 391 to 394 (read with section 78 and sections 100 to 103) of the Indian Companies Act to consider and, if thought fit, approve the Indian Scheme (written without amendment) (and any adjournment thereof);
"Indian Court Order"	the order of the Indian Court sanctioning the Indian Scheme under sections 391 to 394 (read with section 78 and sections 100 to 103) of the Indian Companies Act;
"Indian Registrar of Companies"	the Registrar of Companies, Maharashtra;



"Indian Scheme"	the scheme of arrangement under sections 391 to 394 (read with section 78 and sections 100 to 103) of the Indian Companies Act for the transfer and vesting of all the assets and business of UMP to UTV and, separately, the transfer and vesting of all the assets and businesses of UTV(Mauritius) to UTV;
"Indian Scheme Document"	the Indian Scheme, together with the notice and explanatory statement to be sent to UTV Shareholders and UTV Creditors;
"Indian Stock Exchanges"	the Bombay Stock Exchange and the National Stock Exchange;
"Isle of Man Companies Act"	the Isle of Man Companies Act 2006 (as amended);
"Isle of Man Companies Registry" or "Registrar of Companies"	the Companies Registry in the Isle of Man;
"Jefferies"	Jefferies International Limited;
"London Stock Exchange"	London Stock Exchange plc;
"Mauritius Companies Act"	Mauritius Companies Act 2001;
"Mauritius Scheme"	the scheme of arrangement under sections 261 to 264 of, and paragraph 4 of Part II of the fourteenth schedule to, the Mauritius Companies Act which, amongst other things, provides for the transfer and vesting of UTV(Mauritius)'s business and undertaking to UTV and simultaneous dissolution without winding up of UTV(Mauritius), to be approved by the Mauritius Court;
"Merged Group"	the UTV Group following the implementation of the Proposal;
"Merrill Lynch"	Merrill Lynch International, a subsidiary of Bank of America Corporation;
"Movies Acquisition Agreements"	the agreements pursuant to which five completed movies, two movies in production and the Movies in Incubation were acquired by UTV(Mauritius) upon the admission of UMP to trading on AIM;
"Movies in Incubation"	the thirty nine movie projects entered into directly by UTV(Mauritius) or acquired from UTV or its subsidiary in the US in relation to which, on the date of the Movies Acquisition Agreements, production had yet to commence;

"New UTV Shares"	the UTV Shares to be issued by UTV to Independent UMP Shareholders pursuant to the Indian Scheme and as a condition of the Scheme;
"National Stock Exchange" or "NSE"	the National Stock Exchange of India Limited;
"Open Offer"	an offer made by TWDC(SEA) to acquire 77,45,494 UTV Shares in 2008 under the provisions of the SEBI Regulations;
"Overseas Shareholders"	legal or beneficial holders of UMP Shares who are resident in or ordinarily resident in or citizens of, Relevant Jurisdictions;
"Promoter Group"	Rohinton Screwvala, Unilazer, Unilazer HK and Zarina Mehta;
"Promoter Group Warrants"	4,532,000 warrants issued to a Promoter Group entity which can be exchanged for UTV Shares in accordance with their terms and conditions;
"Proposal"	the proposed transaction to be implemented primarily by way of the Scheme pursuant to which: (i) the Independent UMP Shareholders will receive 1 New UTV Share for every 3.75 UMP Shares they hold; (ii) all the assets and business of UMP will be transferred to UTV; and (iii) UMP will be dissolved without a winding-up;
"RBI"	the Reserve Bank of India;
"Relevant Jurisdictions"	has the meaning given to it in paragraph 12;
"Scheme"	the scheme of arrangement proposed to be made under section 157 of the Isle of Man Companies Act between UMP and the Independent UMP Shareholders with or subject to any modification, addition or condition approved or imposed by the Court and agreed by UMP and UTV;
"Scheme Document"	the circular in respect of the Scheme to be posted to the Independent UMP Shareholders appearing on the Register on the Business Day before the date of that document, and setting out, amongst other things, the full terms and conditions to implementation of the Scheme and the notice of the Court Meeting;
"Scheme Record Time"	anticipated (subject to confirmation in the Scheme Document) to be 6.00 p.m. (London time) on the Business day before the Effective Date;

"SEBI Regulations"	the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
"Securities Act"	the United States Securities Act 1933, as amended;
"Shareholders' Agreement"	the shareholders' agreement dated 16 February 2008 made between TWDC(SEA), Rohinton Screwvala, Unilazer, Unilazer HK and UTV relating to the holding of shares in UTV;
"Subscription Agreement"	the subscription agreement dated 16 February 2008 made between TWDC(SEA), Rohinton Screwvala, Unilazer, Unilazer HK and UTV relating to the subscription of shares in UTV;
"Takeover Panel" or "Panel"	the Panel on Takeovers and Mergers which administers the City Code;
"TWDC(SEA)"	The Walt Disney Company (Southeast Asia) Pte. Ltd., a company incorporated under the laws of Singapore whose registered office is situated at One Marina Boulevard, #28-00, Singapore 018989, a wholly owned subsidiary of The Walt Disney Company;
"UGBL"	UTV Global Broadcasting Limited, a company incorporated in India under the Indian Companies Act;
"UMP"	UMP Plc, a company incorporated in the Isle of Man with registered number 000687V;
"UMP Group"	UMP and its subsidiary, UTV(Mauritius);
"UMP Shareholders"	the holders of the issued UMP Shares from time to time;
"UMP Shares"	the ordinary shares of US\$0.05 each in the capital UMP;
"Unilazer"	Unilazer Exports and Management Consultants Limited, a company incorporated in India;
"Unilazer HK"	Unilazer (Hong Kong) Limited, a company incorporated Hong Kong;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	the United States of America;

"UTV"	UTV Software Communications Limited, a company incorporated under the laws of India with registered number 11-56987;
"UTV's Articles of Association"	the articles of association of UTV as in force from time to time;
"UTV Creditors"	the creditors of UTV for the purposes of the Indian Scheme, being the UTV Secured Creditors and the UTV Unsecured Creditors;
"UTV Group"	UTV and its subsidiary undertakings other than UMP and UTV(Mauritius);
"UTV(Mauritius)"	UTV Motion Pictures (Mauritius) Ltd., a company incorporated under the laws of Mauritius with registered number 52972 C2/GBL;
"UTV Secured Creditors"	the secured creditors of UTV, being a class of creditors of UTV for the purposes of the Indian Scheme;
"UTV Shareholders"	the holders of the UTV Shares for the purposes of the Indian Scheme;
"UTV Shares"	ordinary shares of Rs.10 each in the capital of UTV; and
"UTV Unsecured Creditors"	the unsecured creditors of UTV, being a class of creditors of UTV for the purposes of the Indian Scheme.