

STRICTLY PRIVATE & CONFIDENTIAL

July 18, 2018

**The Board of Directors,
HT Media Limited**
Hindustan Times House,
18-20, 2nd Floor,
Kasturba Gandhi Marg,
New Delhi - 110 001.

**The Board of Directors,
Next Mediaworks Limited**
Unit Nos. I-17, I-18 and I-19,
The Tardeo Everest Premises Co-op. Soc. Ltd.,
10th Floor, 156, DJ Dadajee Road,
Tardeo, Mumbai - 400034.

**The Board of Directors,
HT Music & Entertainment Limited**
Hindustan Times House,
18-20, 2nd Floor,
Kasturba Gandhi Marg,
New Delhi - 110 001

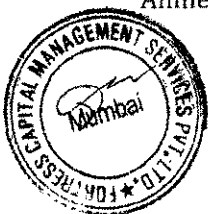
**The Board of Directors,
Next Radio Limited**
Unit Nos. I-17, I-18 and I-19,
The Tardeo Everest Premises Co-op. Soc. Ltd.,
10th Floor, 156, DJ Dadajee Road,
Tardeo, Mumbai - 400034

Sub: Fairness Opinion on the Report by SSPA and Co., Chartered Accountants on:

- **Equity share exchange ratio for proposed amalgamation of HT Music & Entertainment Limited into Next Mediaworks Limited;**
- **Equity share entitlement ratio for proposed demerger of 'Radio Business' Division of HT Media Limited & 'Radio Business' Division of Next Radio Limited into Next Mediaworks Limited; and**
- **Value of equity shares of Next Radio Limited for the purpose of Capital Reduction of equity shares of Next Radio Limited held by Next Mediaworks Limited, post the proposed demerger of 'Radio Business' Division of Next Radio Limited into Next Mediaworks Limited**

Dear Sirs,

We refer to our discussion wherein the HT Media Limited (hereinafter referred to as "HTML") and Next Mediaworks Limited (hereinafter referred to as "NML") (collectively referred to as "Client"), has requested Fortress Capital Management Services Private Limited ('We/Us') to give a fairness opinion on the report issued by SSPA & Co. Chartered Accountants on the equity share exchange ratio for proposed amalgamation of HTML and NML, equity share entitlement ratio for the proposed demerger of 'Radio Business' Division of HT Media Limited (hereinafter referred to as 'HTML') ('Radio Business of HTML') and 'Radio Business' Division of Next Radio Limited (hereinafter referred to as 'NRL') excluding Ahmedabad broadcasting business ('Radio Business of NRL') into NML and value of equity



CIN : U67120MH2004PTC145815

FORTRESS CAPITAL MANAGEMENT SERVICES PVT. LTD.

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shares of NRL for the purpose of Capital Reduction of equity shares of NRL held by NML, post the proposed demerger of Radio Business of NRL into NML ('Residual NRL'). HTML, HTMEL, NML and NRL are hereinafter collectively referred to as the 'Companies'.

1. BACKGROUND

1.1 HT Media Limited

HTML, a public listed company having its registered office at Hindustan Times House 18-20, Kasturba Gandhi Marg, New Delhi, is a diversified conglomerate, inter alia, engaged in the FM radio business, print media and digital media businesses. The FM Radio Business except for radio stations operated by HTML in Hyderabad and in the state of Uttar Pradesh is hereinafter referred to as "Radio Business of HTML".

The shares of HTML are listed on the National Stock Exchange of India Limited and BSE Limited.

1.2 HT Music & Entertainment Limited

HTMEL, a public limited company having its registered office at Hindustan Times House 18-20, Kasturba Gandhi Marg, New Delhi is in the business, inter alia, of operating FM radio channels in Chennai.

1.3 Next Mediaworks Limited

NML, a public listed company having its registered office at Offices No. I-17, I-18 & I-19, 10th Floor, Tardeo Everest Premises Co-operative Society Limited, 156, D J Dadajee Road, Tardeo, Mumbai is engaged in FM radio broadcasting business through its subsidiary viz. NRL which operates as FM radio broadcaster under the brand "Radio One".

The shares of NML are listed on the National Stock Exchange of India Limited and BSE Limited.

1.4 Next Radio Limited

NRL, an unlisted public company having its registered office at Office Nos. I-17, I-18 and I-19, 10th Floor, The Everest Building, 156, D J Dadajee Road, Tardeo Mumbai is a subsidiary of NML and operates as FM radio broadcaster. The FM Radio Business consists of radio stations operated in Noida (Delhi), Mumbai, Chennai, Kolkata, Bengaluru, Pune and Ahmedabad. The Ahmedabad broadcasting business, pending approval of Ministry of Information and Broadcasting (MIB), will be transferred to the wholly owned subsidiary of NRL.

2. PURPOSE OF REPORT

2.1 We have been informed that the Board of Directors of the Companies are considering a proposal for amalgamation of HTMEL into NML and demerger of Radio Business of HTML and Radio Business of NRL into NML. Further, the Management of NRL is proposing to carry out capital reduction of equity shares of NRL held by NML. The aforesaid arrangement is proposed to be carried out pursuant to the Composite



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Scheme of Amalgamation and Arrangement between the Companies and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Scheme').

- 2.2 We have been informed by the Management of the Companies that the Proposed Appointed Date for the Scheme is the Effective Date of the Scheme.
- 2.3 In this connection, SSPA & Co., Chartered Accountants ('Valuer') has been appointed to carry out the relative valuation of equity shares of HTMEL and NML to recommend the fair equity share exchange ratio; to carry out a relative valuation of Radio Business of HTML, Radio Business of NRL and NML to recommend fair equity share entitlement ratios and to carry out fair valuation of Residual NRL to recommend the value for the proposed capital reduction.
- 2.4 Accordingly, Client has appointed us to give a fairness opinion on report issued by Valuer for equity share exchange ratio, equity share entitlement ratios and value of equity shares of NRL for the purpose of Capital Reduction of equity post the proposed demerger.
- 2.5 The information contained in our report herein is confidential. It is intended only for the sole use of captioned purpose including for obtaining the requisite statutory approvals.

3. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- 3.1 Audited financial statements of the NML and HTMEL for FY 2017-18.
- 3.2 Management certified statements of assets & liabilities and statement of profitability for Radio Business of HTML, Radio Business of NRL and Residual NRL for FY 2017-18.
- 3.3 Financial Projections of HTMEL, Radio Business of HTML, Radio Business of NRL and Residual NRL for FY 2018-19 to FY 2022-23
- 3.4 Report dated July 18, 2018 of the Valuer.
- 3.5 Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects, existing shareholding pattern, income-tax position and other relevant information and data, including information in the public domain.
- 3.6 Such other information and explanations as we required and which have been provided by the Management including Management Representations and by Valuer.



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4. EXCLUSIONS AND LIMITATIONS

- 4.1 Our conclusion is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical / projected financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal.
- 4.2 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.
- 4.3 Our work does not constitute verification of historical / projected financials or including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 4.4 Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 4.5 Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this Opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with HTML & NML.
- 4.6 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 4.7 We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.
- 4.8 We do not express any opinion as to the price at which shares of the Companies may trade at any time, including subsequent to the date of this opinion.
- 4.9 Any person/party intending to provide finance/invest in the shares/businesses of any of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed amalgamation, demergers and capital reduction as aforesaid, can be done only with our prior permission in writing.
- 4.10 This certificate has been issued for the sole purpose to facilitate the Company to comply with SEBI (Listing Obligations and disclosure requirements) Regulations, 2015 and SEBI Circular No CFD/DIL3/CIR/2017/21 dated March 10, 2017.



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4.11 Fortress Capital Management Services Private Limited, nor its directors, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the fairness opinion is given. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the opinion.

5. VALUATION METHODOLOGY ADOPTED BY VALUER

For the purposes Valuation and recommending the share exchange ratio, share entitlement ratios and fair value of equity shares, the Valuer has adopted "Discounted Cashflow Method" under Income Approach and "Comparable Companies Multiple Method" under Market Approach for HTMEL, NML, Radio Business of HTML, Radio Business of NRL and Residual NRL.

6. CONCLUSION

6.1 We have reviewed methodology as mentioned above used by the Valuer for arriving at the valuation of the equity shares of the Companies and also reviewed the working and underlying assumptions adopted to arrive at the values under each of the above approaches, for the purposes of recommending share entitlement ratio, share exchange ratio and fair value of equity shares for proposed capital reduction of equity shares of Residual NRL held by NML.

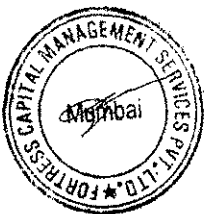
6.2 On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the share exchange ratio for the proposed amalgamation of HTMEL with NML of **125 (One Hundred and Twenty Five) Equity Share of NML of INR 10 each fully paid up for every 2,228 (Two Thousand Two Hundred and Twenty Eight) Equity share of HTMEL of INR 1 each fully paid up** recommended by Valuer is fair and reasonable

6.3 On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the share entitlement ratio for the proposed demerger of Radio Business of HTML and Radio Business of NRL into NML of:

784 (Seven Hundred and Eighty Four) Equity Share of NML of INR 10 each fully paid up for every 1,000 (One Thousand) Equity share of HTML of INR 2 each fully paid up

1,713 (One Thousand Seven Hundred and Thirteen) Equity Share of NML of INR 10 each fully paid up for every 1,000 (One Thousand) Equity share of NRL of INR 10 each fully paid up

recommended by Valuer is fair and reasonable.



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6.4 On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, **value per equity share of Residual NRL for the purpose of Capital Reduction of equity shares of NRL held by NML of Rs. 0.32 per share** recommended by Valuer is fair and reasonable.

Thanking you,
Yours faithfully,

For Fortress Capital Management Services Pvt. Ltd.

[Handwritten Signature]

Authorized Signatory

Place: Mumbai

SEBI Registration No.: INM000011146



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