



August 15, 2011

MediaNet Group Technologies, Inc. Announces Third Quarter and Nine Month Results

BOCA RATON, FL – August 15, 2011 - MediaNet Group Technologies, Inc. (OTCQB: [MEDG](#)), a global shopping and entertainment community, today announced results for the third quarter and nine months ended June 30, 2011.

For the third quarter ended June 30, 2011, revenue was \$2.9 million compared to \$6.1 million for the third quarter ended June 30, 2010. Gross profit for the quarter was \$1.1 million, or 39% of revenue, compared to \$4.2 million, or 70% of revenue, in the same period of 2010. The net loss for the third quarter was \$1.1 million, resulting in a loss per basic share of \$0.00 and fully diluted share of \$0.00, compared to a net income of \$0.8 million, or earnings per basic and fully diluted share of \$0.03 and \$0.00, respectively, in the comparable 2010 period. For the third quarter of 2011, the weighted average number of basic and fully diluted shares outstanding was 319,741,435 and 324,735,748, respectively, as compared to the same period of 2010, when the weighted average of basic and fully diluted shares outstanding was 28,621,680 and 337,450,905 respectively.

Revenue for the nine-month period ended June 30, 2011 was \$9.4 million compared to \$16.7 million reported in the nine-month period ended June 30, 2010. Gross profit for the period was \$4.7 million, or 50% of revenue, compared to \$8.1 million or 49% percent of revenue in the comparable 2010 period. The net loss for the nine-month period was \$3.1 million or \$0.01 basic and \$0.01 per fully diluted share, compared to a net income of \$2.5 million, or earnings per basic share of \$0.09 and \$0.01 on a fully diluted basis in the 2010 nine-month period. For the nine-month period of 2011, the weighted number of basic and fully diluted shares outstanding was 270,679,678 and 274,008,730, respectively, as compared to the same period of 2010, when the weighted number of basic and fully diluted shares outstanding was 28,100,031 and 318,399,072, respectively.

MediaNet reports net income or loss on a GAAP and non-GAAP basis. Non-GAAP net income excludes non-cash expenses for depreciation and amortization and for stock-based compensation (SBC). In the third quarter of 2011, the charge related to SBC was \$0.7 million, compared to \$0 in the third quarter of 2010 and for the nine month period ended June 30, 2011, SBC was \$1.4 million compared to \$0 for the same period in 2010. Depreciation and amortization was \$0.2 million in the third quarter of 2011, compared to \$0.2 million in the third quarter of 2010 and for the nine month period ended June 30, 2011, depreciation and amortization was \$0.7 million compared to \$0.5 for the same period in 2010. The result is that Non-GAAP net income or (loss) for the quarter and nine months ended June 30, 2011 was \$(0.2) million and \$(1.0) million, respectively compared to Non-GAAP net income of \$1.0 and \$3.0 for the same periods in 2010. Despite negative earnings for Q3, Non-GAAP net income was close to break- even at \$(0.2) million. The Company increased its liquidity by \$3.4 million after issuing 25.1 million new shares in a private placement. The non-GAAP measure is reconciled to the corresponding GAAP measures in the accompanying financial tables.

Michael Hansen, President and Chief Executive Officer stated, "As we expected, our third quarter operating results remained consistent with the first two quarters. Revenue and income are down from a year ago, because we have invested considerable time, resources and money in the Company's foundation and future, by recruiting strong management and highly skilled employees, developing our auction and shopping mall platforms and implementing strategic plans for DubLi to realize its potential as a global shopping and entertainment Company. I am very proud of our results compared to last year when we were just another online auction company. Today we are a state-of-the-art, global shopping and entertainment community and our momentum is returning while we put the finishing touches on our programs and products in August and September. We begin our next fiscal year in October with a new and stronger business foundation that is supported by a new advertising plan, our recently launched partner program and the strength of our remarkable network marketing organization. DubLi was built to deliver a world-class global shopping and entertainment portal using the localized and proven approach of a direct sales organization. Fiscal 2010 has been marked by an investment in people and technology that enables us to efficiently serve consumers globally."

Mr. Hansen continued, "I am pleased that the Company has transformed so significantly in just nine short months and I believe that we are well positioned to capture a greater portion of our global consumers discretionary spending. The new DubLi Gift Card auctions were well received this quarter and the additional business it has garnered from our customers, Business Associates and partners around the world is gratifying. In addition, I am very pleased with advances in our partner programs, the growth in 5% Cashback shopping programs in the German, U.S. and Australian online shopping malls. I look forward to presenting our new malls coming online soon in Spain and Denmark."

About MediaNet Group Technologies, Inc.:

MediaNet Group Technologies, Inc. has created a global online shopping community that includes its reverse auction concept, shopping mall platform and entertainment portal. The Company's unique operating strategy combines online shopping with its distribution network to reach customers directly on a global scale.

The foundation of MediaNet Group is grounded in innovative technology, a global platform and an expertise in understanding and capitalizing on global economic trends and changing consumer behaviors. The central hub of the MediaNet Group community is DubLi.com from which all other components of the business model are derived. Additional information about the Company is available in its filing with the Securities and Exchange Commission at www.sec.gov.

Except for historical matters contained herein, statements made in this press release are forward-looking. Without limiting the generality of the foregoing, words such as "may," "will," "to," "plan," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," or "continue" or the negative other variations thereof or comparable terminology are intended to identify forward-looking statements.

Investors and others are cautioned that a variety of factors, including certain risks, may affect our business and cause actual results to differ materially from those set forth in the forward-looking statements. These risk factors include, without limitation, the risk of (i) an inability to establish and/or maintain a large, growing base of business associates; (ii) an inability to develop and/or maintain brand awareness for our online auctions; (iii) a failure to maintain the competitive bidding environment for our online auctions; (iv) a failure to adapt to technological change; and (v) a failure to maintain adequate internal controls. The Company is also subject to the risks and uncertainties described in its filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended September 30, 2010.

The following Table summarizes the Company's results of operations for the third quarter and nine month periods ended June 30, 2011 and 2010.

MediaNet Group Technologies, Inc. and Subsidiaries
Consolidated Statements of
Operations

	<u>For the Three Months ended</u>		<u>For the Nine Months ended June</u>	
	<u>June 30,</u>		<u>30,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	Unaudited	Restated	Unaudited	Restated
	\$	\$	\$	\$
Revenues	2,889,172	6,102,897	9,396,979	16,718,961
Direct cost of revenues	1,772,908	1,840,894	4,741,165	8,601,810
Gross profit	1,116,264	4,262,003	4,655,814	8,117,151
Selling, general and administrative	2,251,002	3,431,770	7,711,172	5,569,190
Income (loss) from operations	(1,134,738)	830,233	(3,055,358)	2,547,961
Interest income expense	(13,888)	(265)	(17,689)	(7,404)
Gain (loss) on sale of Asset	(17)	-	2,450	-
Income (loss) from operations before income taxes	(1,148,643)	829,968	(3,070,597)	2,540,557
			-	
Income taxes-benefit (expense)-			-	-
Net Income (loss)	(1,148,643)	829,968	(3,070,597)	2,540,557
Foreign currency translation adjustment	99,306	(386,197)	737,893	(798,506)

Comprehensive income (loss)	\$ (1,049,337)	\$ 443,771	\$ (2,332,704)	\$ 1,742,051
Net income (loss) per common share				
Basic	\$ (0.00)	\$ 0.03	\$ (0.01)	\$ 0.09
Diluted	\$ (0.00)	\$ 0.00	\$ (0.01)	\$ 0.01
Weighted average shares outstanding:				
Basic	319,741,435	28,621,680	270,679,678	28,100,031
Diluted	324,735,748	337,450,905	274,008,730	318,399,072
Non-GAAP Measures				
Net income (loss)	\$ (1,148,643)	\$ 829,968	\$ (3,070,597)	\$ 2,540,557
Depreciation and amortization	227,774	174,341	683,321	523,022
Stock based compensation	722,644	-	1,383,520	-
Non-GAAP net income (loss)	\$ (198,226)	\$ 1,004,309	\$ (1,003,756)	\$ 3,063,579

The following Table summarizes the Company's financial position as of June 30, 2011 and September 30, 2010.

MediaNet Group Technologies, Inc. and Subsidiaries
Consolidated Balance Sheets

	<u>June 30, 2011</u> Unaudited	<u>September 30, 2010</u> Audited
Assets:		
Current Assets:		
Cash and cash equivalents	\$ 930,252	\$ 487,171
Restricted cash	440,418	351,111
Accounts receivable	233,293	58,442
Inventories	235,567	386,185
Prepaid customer acquisition costs	428,654	956,017
Prepaid expenses	29,239	110,633
Total Current Assets	2,297,423	2,349,559
Property and equipment, net	1,405,096	1,721,182
Other Assets:		
Restricted cash	2,039,073	2,037,495
Real estate contract	3,000,000	2,519,138
Option agreement	250,000	250,000
Other	158,248	82,796
Total Other Assets	5,447,321	4,889,429
Total Assets	\$ 9,149,840	\$ 8,960,170
Liabilities and Stockholders' Equity:		
Current Liabilities:		
Accounts payable	\$ 583,095	\$ 681,310
Accrued and other liabilities	294,807	168,360
Loyalty points payable	367,208	413,755
Commissions payable	1,238,723	1,368,282
Deferred revenue	1,467,993	2,892,397
Note payable – related party	114,340	840,884
Total Current Liabilities	4,066,166	6,364,988
Long Term Liabilities:		
Note payable	25,005	30,901

Total Liabilities	4,091,171	6,395,889
Stockholders' Equity:		
Preferred stock- \$0.01 par value, 50 million shares authorized, -0- and -0- outstanding, respectively	-	-
Common stock -\$0.001 par value, 500 million shares authorized 336,688,946 and 244,200,626 issued and outstanding, respectively	336,689	244,201
Additional paid-in capital	7,294,087	2,559,483
Accumulated other comprehensive income (loss)	292,906	(444,987)
Retained earnings (deficit)	(2,865,013)	205,584
Total Stockholders' Equity	5,058,669	2,564,281
Total Liabilities and Stockholders' Equity	\$ 9,149,840	\$ 8,960,170

The following Table summarizes the Company's cash flows for the nine month periods ended June 30, 2011 and 2010.

MediaNet Group Technologies, Inc. and subsidiaries
Consolidated Statements of Cash Flows – Unaudited
For the Nine Months Ended June 30,

	<u>2011</u>	<u>2010</u> Restated
Cash flows from operating activities		
Net income (loss) from operations	\$ (3,070,597)	\$ 2,540,557
Reconcile net income (loss) to net cash from operating activities:		
Depreciation and amortization	683,321	523,022
Stock-based compensation	1,458,520	-
Promotional DubLi Credits	113,780	-
Restatement adjustment	-	(1,702,102)
Changes in operating assets and liabilities:		
Restricted cash	(66,884)	(1,422,709)
Accounts receivable	(166,337)	71,398
Inventory	154,339	(288,842)
Prepaid expenses	83,472	77,844
Prepaid customer acquisition costs	561,005	(1,724,125)
Accounts payable	(112,726)	126,580
Accrued liabilities	566,999	(445,698)
Accrued loyalty points	(46,547)	(557,204)
Monthly Subscriptions payable	39,389	-
Commission payable	(314,118)	(932,430)
Customer deposits	-	(7,901)
Deferred revenue	(1,532,379)	3,200,891
Net cash provided by operations	(1,648,763)	(540,719)
Investing activities:		
Purchases of equipment and software	(360,988)	(896,544)
Payments on real estate contract	(480,863)	-
Option Agreement	-	(250,000)
Other assets	(72,727)	(50,636)
Restricted cash	302,055	-
Net cash provided by (used in) investing activities	(612,523)	(1,197,180)
Financing activities		
Proceeds from note payable - related party	453,208	825,535
Repayments of note payable – related party	(1,199,834)	(654,021)
Repayments of note payable	(5,530)	-
Proceeds from Stock Subscriptions	3,368,572	-
Proceeds from common shares & warrants	-	133,185
Net cash provided by (used in) financing activities	2,616,416	304,699
Effect of exchange rate changes on cash	87,951	(206,879)
Net increase (decrease) in cash and equivalents	443,081	(1,640,079)
Cash at beginning of period	487,171	2,533,649
Cash at end of period	\$ 930,252	\$ 893,570
Supplemental cash flow information:		
Cash paid for interest	\$ 17,689	\$ 7,404

Cash paid for income taxes	-	-
Shareholder contribution for software	-	1,337,673
Shareholder contribution for real estate contract	-	1,440,708
Recapitalization	-	6,874,886
Foreign currency translation adjustment	737,893	(798,507)
Cashless warrant	-	482
Two-step common share transfer	63,394	-