May 11, 2012

MediaNet Group Technologies Announces Results for the Second Quarter of 2012

Building Our DubLi Brand with Unprecedented Growth

BOCA RATON, FL – May 11, 2012 — MediaNet Group Technologies, Inc. (OTCQB: MEDG), a global marketing company that provides consumers around the world with a variety of innovative, online shopping and entertainment opportunities, today announced financial results for the fiscal second quarter and six months ended March 31, 2012.

Michael Hansen, President and Chief Executive Officer of MediaNet Group stated “We further improved upon our first quarter surge in revenue growth by 46% during the second quarter as a result of the continued enthusiasm for our auctions. We continue to increase traffic and build our DubLi brand with unprecedented growth. The sales growth that began in the third and fourth quarters of 2011 has now grown to $29.4 million in the second quarter of 2012 and $49.5 million for the first half of fiscal year 2012. We are particularly pleased with our growth during this quarter, given that it is typically the weakest quarter of the year in all shopping segments. We expect our growth to continue to increase even more rapidly in the third quarter of 2012 due to the success of the new Xpress auction format, the growth of our network marketing associates and increased marketing efforts that include our new infomercial now airing in select markets in the U.S. Our strategy, to build sales volume and increase web traffic, is beginning to attract greater opportunities with business partners such as Publimedia, a division of Grupo Gestevision Telecinco, S.A., the top-rated television station in Spain. We are continuing to expand our investment in marketing, especially discounts and bonuses to consumers which are very effective in rapidly increasing our sales volume. Our investment in building our infrastructure is continuous and designed to support our future growth and development. We believe that our marketing efforts during 2012 will drive conversion to higher margin products and increased profitability.”

For the second quarter ended March 31, 2012, revenues increased 600% to $29.4 million compared to $4.1 million for the second quarter ended March 31, 2011This is in line with the company’s marketing strategy to attract traffic and business to our websites in order to drive incremental revenue from advertising and partner programs. Gross profit for the quarter was $0.2 million, or 1.0% of revenue, down 89% compared to $2.1 million, or 51% of revenue, in the same period of 2011. as a direct result of changing the format of the Xpress auction from low volume high margin goods, to high volume, low margin electronic gift cards. Net loss for second quarter was $2.9 million resulting in a loss per basic and fully diluted share of $0.01, as compared to a net loss of $0.8 million, or a loss per basic and fully diluted share of $0.00 in the second quarter of 2011. For the second quarter 2012, the weighted average number of basic and fully diluted shares outstanding was 361,481,056 and 374,563,284, respectively as compared to the same period of 2011, when the weighted average number of basic and fully diluted shares outstanding was 247,129,155 and 249,696,480, respectively. Net loss per share for both basic and fully diluted is computed on the weighted average number of basic shares outstanding because derivatives are considered anti-dilutive to net loss.

For the six months ended March 31, 2012, revenues increased 717% to $49.5 million compared to $6.1 million for the six months ended March 31, 2011. Gross profit for the half year was $0.6 million, or 1% of revenue, compared to $3.6 million, or 61% of revenue, in the same period of 2011. Net loss for the first half of fiscal 2012 was $5.9 million resulting in a loss per basic and fully diluted share of $0.02, as compared to a net loss of $2.1 million, or a loss per basic and fully diluted share of $0.01 in the first half of 2011. For the first six months of fiscal 2012, the weighted average number of basic and fully diluted shares outstanding was 360,694,346 and 370,691,443, respectively as compared to the same period of 2011, when the weighted average number of basic and fully diluted shares outstanding was 246,148,800 and 248,645,221, respectively. Net loss per share for both basic and fully diluted is computed on the weighted average number of basic shares outstanding because derivatives are considered anti-dilutive to net loss.

MediaNet reports net income or loss on a GAAP and non-GAAP basis. Non-GAAP net income or loss excludes non-cash expenses for depreciation, amortization and for stock-based compensation (“SBC”). In the second fiscal quarter 2012, the charge related to SBC was $1.5 million, compared to $0.3 in the second quarter of 2011 Depreciation and amortization was $0.02 million in the second quarter of 2012, compared to $0.2 million in 2011. The result is that Non-GAAP net loss for the second quarter ended March 31, 2012 was $1.4 million compared to Non-GAAP net loss of $0.3 million for the same period in 2011 or 4.6% and 7.3% of revenues, respectively. The non-GAAP measure is reconciled to the corresponding GAAP measures in the accompanying financial tables.

About MediaNet Group Technologies, Inc.:

MediaNet Group Technologies, Inc. (OTCQB: MEDG), through its wholly-owned subsidiaries under the DubLi brand addresses consumer needs both online and offline through innovative engagement models, as well as virtual shopping experiences. Through its DubLi.com website, the company also creates tremendous opportunities by helping entrepreneurs both large and small create micro-distributor organizations by joining Dublinetwork.com. MediaNet Group Technologies main focus is to provide consumers around the world with the highest online value for their shopping and entertainment opportunities. The foundation of MediaNet Group was built upon an innovative business concept, a global presence and a consumer-centric business model that seeks to capitalize on global economic trends and changing consumer behaviors. The central hub of the MediaNet Group universe is DubLi.com, a comprehensive online shopping and entertainment community. DubLi Network is the sales and marketing engine for DubLi.com that is driven by a marketing network of Business Associates who use word-of-mouth advertising, the most effective form of direct selling, to sell a variety of memberships and packages that generate traffic to DubLi.com. DubLi Partner offers a white-label version of its DubLi.com platform giving participating organizations a professional, reliable web presence while providing access to DubLi's global online shopping and entertainment community. BSP Rewards, also known as DubLi Shopping, is responsible for the management and operations of DubLi's Shopping Mall platforms around the world. MediaNet Group is emerging as a leading provider of innovative shopping and entertainment solutions to consumers in over 100 countries.
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 productive 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; (v) a failure to comply with governmental laws and regulations applicable to our business; and (vi) a failure to maintain our 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 fiscal year ended September 30, 2011.

Presented below is selected financial information. Readers are encouraged to read the Company's Quarterly Report on Form 10-Q for the three and six months ended March 31, 2012 filed with the Securities and Exchange Commission.

MediaNet Group Technologies, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets – Unaudited

	March 31, 2012	September 30, 2011
Assets:		
Current Assets:		
Cash and cash equivalents	$ 1,994,756	$ 1,503,234
Restricted cash	4,055,677	448,161
Accounts receivable	191,490	253,095
Inventories	138,810	168,846
Prepaid customer acquisition costs	6,628,110	6,958,894
Prepaid expenses	828,607	2,060,468
Total Current Assets	13,837,450	11,392,698
Property and Equipment, net	292,397	207,419
Other Assets:		
Restricted cash, net	-	1,864,293
Real estate contract, net	3,129,346	3,203,847
Other	95,477	74,651
Total Other Assets	3,224,823	5,142,791
Total Assets	$ 17,354,670	$ 16,742,908
Liabilities and Stockholders' Equity (Deficit):		
Current Liabilities:		
Accounts payable	$ 1,800,063	$ 1,650,540
Accrued and other liabilities	190,196	229,118
Loyalty points payable	219,445	318,653
Commissions payable	1,887,287	1,128,355
Deferred revenue	17,266,828	13,830,389
Note payable – related party	23,801	-
Total Current Liabilities	21,387,620	17,157,055
Stockholders' Equity (Deficit):		
Preferred stock- $0.01 par value, 50 million shares authorized, -0- and -0-		

outstanding, respectively		-		-
Common stock -$.001 par value, 500 million shares authorized 366,246,522 and 359,802,057 issued and outstanding, respectively		366,246		359,802
Additional paid-in capital		14,197,357		11,953,103
Accumulated other comprehensive loss		(71,195)		(85,923)
Accumulated deficit		(18,525,358)		(12,641,129)
Total Stockholders' Equity (Deficit)		(4,032,950)		(414,147)
Total Liabilities and Stockholders' Equity (Deficit)	$	17,354,670	$	16,742,908

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

	For the Three Months ended March 31,		For the Six Months ended March 31,	
	2012	2011	2012	2011
Revenues	$ 29,361,662	$ 4,193,181	$ 49,472,226	$ 6,054,519
Direct cost of revenues	29,133,972	2,069,019	48,835,635	2,391,087
Gross profit	227,690	2,124,162	636,591	3,663,432
Selling, general and administrative	3,110,640	2,955,326	6,518,548	5,792,102
Loss (gain) on sale of Asset	-	999	-	(2,467)
Loss from operations	(2,882,950)	(832,163)	(5,881,957)	(2,126,203)
Interest expense	(1,019)	(1,303)	(2,272)	(3,801)
Loss from operations before income taxes	(2,883,969)	(833,466)	(5,884,229)	(2,130,004)
Income taxes – benefit (expense)	-	-	-	-
Net loss	(2,883,969)	(833,466)	(5,884,229)	(2,130,004)
Foreign currency translation adjustment	(61,821)	(251,635)	14,728	329,418
Comprehensive loss	$(2,945,790)	$(1,085,101)	$(5,869,501)	$(1,800,586)
Net loss per common share				
Basic	$ (0.01)	$ (0.00)	$ (0.02)	$ (0.01)
Diluted	$ (0.01)	$ (0.00)	$ (0.02)	$ (0.01)
Weighted average shares outstanding:				
Basic	361,481,056	247,129,155	360,694,346	246,148,800
Diluted	374,563,284	249,696,480	370,691,443	248,645,221

MediaNet Group Technologies, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows – Unaudited
For the Six Months Ended March 31,

	2012	2011
Cash flows from operating activities		
Net loss	$ (5,884,229)	$ (2,130,004)
Reconcile net loss to net cash from operating activities:		
Depreciation and amortization	56,735	473,689
Real estate impairment	-	367,292
Recover restricted cash impairment allowance	(293,438)	-
Option agreement written off	-	250,000
Stock based compensation	2,936,767	560,876
Promotional DubLi Credits	39,351	93,740
Changes in operating assets and liabilities:		
Restricted cash	(1,500,520)	(61,332)
Accounts receivable	56,175	35,474
Inventories	26,402	114,818
Prepaid customer acquisition costs	180,588	(12,649,669)
Prepaid expenses	35,153	94,224
Accounts payable	727,031	119,822

Accrued and other liabilities	(71,658)	505,566
Loyalty points payable	(99,208)	(64,866)
Commission payable	744,296	(536,986)
Deferred revenue	3,736,764	11,605,524
Net cash used in operations	690,209	(1,221,832)
Investing activities:		
Purchases of equipment and software	(144,889)	(8,928)
Sale of equipment and software	2,056	-
Payments on real estate contract	(270,015)	(327,724)
Other assets	(20,826)	(26,127)
Restricted cash	-	256,888
Net cash provided by (used in) investing activities	(433,674)	(105,891)
Financing activities		
Proceeds from note payable - related party	-	287,819
Repayments of note payable – related party	(202,312)	(263,666)
Proceeds from stock subscriptions	468,643	1,146,117
Net cash provided by financing activities	266,331	1,170,270
Effect of exchange rate changes on cash	(31,344)	40,724
Net increase (decrease) in cash and equivalents	491,522	(116,729)
Cash at beginning of period	1,503,234	487,171
Cash at end of period	$ 1,994,756	$ 370,442
Supplemental cash flow information:		
Cash paid for interest	$ 2,272	$ 3,801
Cash paid for income taxes	-	-
Non-cash transactions		
Foreign currency translation adjustment	14,668	329,418
Two step common share transfer	-	63,394
Real estate loan from officer	223,000	-

The following table reconciles the non-GAAP measures to the corresponding GAAP measures:

	For the Three Months ended March 31,		For the Six Months ended March 31,	
	2012	2011	2012	2011
Non-GAAP Measures				
Net income (loss)	$(2,883,969)	$ (833,466)	$(5,884,229)	$(2,130,004)
Depreciation and amortization	23,094	196,066	56,735	473,689
Stock based compensation	1,505,086	330,438	2,936,767	560,876
Non-GAAP net income (loss)	$(1,355,790)	$ (306,962)	$(2,890,728)	$(1,095,439)