



ZEE NEWS LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2008

3Q FY 09 CONSOLIDATED REVENUES OF Rs. 1.43 BILLION, UP 45.4%

CONSOLIDATED EBIDTA OF Rs. 299 MILLION, UP 35.8%

EBIDTA MARGIN OF 20.9%

CONSOLIDATED NET PROFIT OF Rs. 151 MILLION, UP 18.4%

Highlights

- ❖ Advertisement revenue was Rs 1.12 billion for the quarter ended December 31, 2008, an increase of 38.8% as compared to the corresponding period last fiscal.
- ❖ Subscription revenue was Rs 236 million for the quarter ended December 31, 2008, an increase of 46.4% as compared to the corresponding period last fiscal.
- ❖ EBIDTA was Rs 299 million for the quarter ended December 31, 2008, as against Rs. 220 million during the corresponding period last fiscal. EBIDTA margin was 20.9%
- ❖ Net Profit after Tax was Rs. 151 million for the third quarter ended December 31, 2008, an increase of 18.4%
- ❖ All channels' viewership share of ZNL channels in the total C&S Universe grew to 5.47% in Q3 FY09 as compared to 4.18 % in the corresponding period last fiscal.
- ❖ The flagship channel 'Zee News' continued to gain market and revenue share, while sticking to sensible news. Both 'Zee Marathi' and 'Zee Bangla' maintained leadership in their respective genres.
- ❖ 'Zee Business' recorded sustained improvement in viewership share while 24 Ghanta maintained its leadership in the genre.
- ❖ Under "new businesses", 'Zee Kannada' and 'Zee Telugu' recorded a YoY GRP growth of 90.8% and 47.4% respectively while 'Zee 24 Taas' saw an increase of 148.3%.
- ❖ 'Zee Tamil' is now well distributed and progressing as per our plan. In West Bengal, operating involvement of ZNL team with Akaash Bangla got initiated w.e.f January 1, '09.

Zee News Limited

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Mumbai, India; January 22, 2009 – Zee News Limited (ZNL) today reported third quarter fiscal '09 consolidated revenue of Rs. 1.43 billion, representing 45.4 % growth over the corresponding quarter last fiscal. The consolidated EBIDTA stood at Rs. 299 million, up by 35.8 %. Profit before tax for the quarter ended December 31, 2008 was Rs. 244 million while Net Profit was Rs. 151 million.

Subscription revenue continued to deliver YoY growth, a whopping 46% over last year, cashing in on the extensive DTH proliferation. However, increased prudence in the payment of carriage fees has led to a temporary slowdown in the subscription revenue from analogue connections in this quarter, compared to the immediately preceding quarter. The company expects this to be more than compensated going forward.

The Board of Directors in its meeting held today, has approved and taken on record the un-audited financial results of Zee News Limited for the quarter ended December 31, 2008.

Commenting on the results, Mr. Subhash Chandra, Chairman said, "We are extremely pleased with our robust growth despite the financial slowdown. It seems to be a dream run given the current global economic situation. Our bouquet composition, aggressive and innovative strategy and an ever cost-conscious approach to business helped us achieve this feat - something seemingly impossible for most other media organizations."

"The company is no longer dependent on two or three key channels. With growing traction in, Zee Telugu, Zee Business, Zee Kannada and the regional news channels, Zee News Limited is all set to add additional driver channels going forward. On one hand we are strategically expanding our presence, while on the other hand, the channels which are not likely to make profit in the near future have been critically reviewed by the company. The Board has approved the closure of Zee Gujarati w.e.f April 30, '09. The forthcoming U. P News channel launch will be a key strategic expansion along with other regional proliferation of our products and services," he added.

"Zee News Limited is primed to deliver as per the expectations of the investor fraternity and I strongly believe that its diversified presence and a well laid out expansion strategy - without compromising current profitability - are going to be value drivers in the time to come," said Mr. Chandra.

Mr. Laxmi Narain Goel, Managing Director, Zee News Limited, said, "The strong third quarter performance of the company is not only testimony of our sound business model and practices but also speaks volumes about the financial discipline followed."

"Maintaining the uphill trend, the company has recorded a healthy 45.4% increase in top-line of Rs. 1.43 billion. This was led by advertising revenue growth of 38.8% and subscription revenue growth of 46.4%. Consolidated EBIDTA stood at Rs. 299 million, up 35.8%. I am glad that in this era of perceptible economic slowdown, Zee News Limited has managed to grow and expand both in market share and revenue," said Mr. Goel.

EARNINGS RELEASE FOR THE QUARTER ENDED DEC. 31, 2008

Elaborating on the company's performance, Mr. Barun Das, CEO said, "The 'existing businesses' continued to grow and recorded 23% growth in operating revenues while the same for 'new businesses' was 333.3%. While the performance of existing businesses soared high, we consciously continued with our investment in our leading channels in order to maintain & grow our lead so that we enjoy higher traction going forward. Viewership experienced an upward spiral with the all channel viewership share of Zee News Limited channels growing by 31% over the third quarter last fiscal."

"We have always devoted significant attention to current deliverables. Therefore our strategic expansion plan has been chalked out keeping the current performance in prime focus. This would make us best placed not only to deliver superlative performance despite this slowdown, but also continue with our systematic expansion plan. Our focus on innovation, efficiency enhancement, further rationalization of cost and tailor made solution for advertisers will enhance our competitive advantage," he added.

Condensed Consolidated Statement of Operations

The table below presents the condensed consolidated statement of operations for Zee News Limited and its subsidiary for the third quarter and upto the third quarter FY09 as compared to the corresponding period last fiscal.

(Rs. Million)	3rd Quarter Ended		% Growth YoY	Up to 3rd Quarter Ended		% Growth YoY
	Dec-08	Dec-07		Dec-08	Dec-07	
Operating Revenues	1,429.8	983.2	45.4%	3,836.6	2,540.0	51.0%
Expenditure	1,130.8	763.0	48.2%	3,151.0	2,104.5	49.7%
EBIDTA	299.0	220.2	35.8%	685.6	435.5	57.4%
Depreciation	23.3	19.1	21.6%	66.6	54.7	21.9%
Finance Expenses	55.8	1.9	2817.5%	70.2	5.1	1276.6%
Operating Income	219.9	199.2	10.4%	548.8	375.7	46.1%
Add: Other Income	24.0	1.9	1163.1%	26.6	6.4	315.6%
Add / Less: Minority Interest	(1.6)	(0.4)		(2.8)	(4.9)	
Less: Provision for Tax	94.2	73.6	28.0%	219.1	145.5	50.6%
Profit After Tax	151.3	127.8	18.4%	359.1	241.5	48.7%

Revenue Streams

Zee News' revenues are generated primarily from advertising sales and subscription income. The table below will enable a better understanding of the performance of the various revenue streams for the third quarter ended December 31, 08.

EARNINGS RELEASE FOR THE QUARTER ENDED DEC. 31, 2008

(Rs. Million)	3rd Quarter ended		% of Total Revenues		Up to 3rd Quarter ended		% of Total Revenues	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
Advertising Revenues	1,116.5	804.6	78.1%	81.8%	3,018.6	2,040.9	78.7%	80.4%
Subscription Revenues	236.2	161.3	16.5%	16.4%	682.4	447.7	17.8%	17.6%
Other Sales & Services	77.0	17.2	5.4%	1.8%	135.6	51.4	3.5%	2.0%
Total Revenues	1,429.7	983.1	100.0%	100.0%	3,836.6	2,540.0	100.0%	100.0%

Expenditure

Zee News' main expenses include goods and operations cost, employee cost and administrative & selling expenses. Overall, in the third quarter, these costs went up 48.2% as compared to the corresponding quarter last fiscal.

(Rs. Million)	3rd Quarter ended		% of Total Expenditure		Up to 3rd Quarter ended		% of Total Expenditure	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
Cost of Goods & Operations	565.4	375.1	50.0%	49.2%	1,515.4	1,042.9	48.1%	49.6%
Employee Cost	146.1	107.6	12.9%	14.1%	462.1	322.4	14.7%	15.3%
Other Expenses	419.4	280.2	37.1%	36.7%	1,173.5	739.1	37.2%	35.1%
Total Expenses	1,130.8	763.0	100.0%	100.0%	3,151.0	2,104.4	100.0%	100.0%

Revenue and Operating Profits

The tables below present a comparison of the performance of Existing Businesses V/s New Businesses (excluding the channel 24 Ghanta) for the third quarter and upto the third quarter ended December 31, 2008.

(Rs. Million)	3rd Quarter FY 2009			3rd Quarter FY 2008			Growth%		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenues	1,089.5	303.1	1,392.6	885.4	70.0	955.4	23.1	333.3	45.8
Total Expenses	691.0	400.6	1,091.6	528.6	207.6	736.2	30.7	92.9	48.3
EBIDTA	398.5	(97.5)	301.0	356.8	(137.6)	219.2	11.7	29.2	37.4
Operating Margins %	36.6	(32.2)	21.6	40.3	(196.6)	22.9			

(Rs. Million)	Up to 3rd Quarter FY 2009			Up to 3rd Quarter FY 2008			Growth%		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenues	3,095.8	631.9	3,727.7	2,297.8	177.8	2,475.6	34.7	255.3	50.6
Total Expenses	2,032.4	1,007.6	3,040.0	1,457.4	575.5	2,032.9	39.5	75.1	49.5
EBIDTA	1,063.4	(375.7)	687.7	840.4	(397.7)	442.7	26.5	5.5	55.3
Operating Margins%	34.3	(59.5)	18.4	36.6	(223.6)	17.9			

Note: This earnings release contains results that are un-audited, and prepared as per Indian Generally Accepted Accounting Principles (GAAP).

Caution Concerning Forward-Looking Statements

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. Zee News Limited is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

About Zee News Limited Zee News Limited is one of India's leading media and entertainment companies. It has a unique cluster of news & current affairs and regional entertainment channels, which includes Zee News, Zee Business, Zee Marathi, Zee Bangla, Zee Punjabi, Zee Gujarati, Zee 24 Taas, Zee Kannada, Zee Telugu, Zee Tamil and Zee Talkies. More information about Zee News Limited and its businesses is available on www.zeenews.com.