



# ZEE NEWS LIMITED

---

## EARNINGS RELEASE FOR THE QUARTER & YEAR ENDED MARCH 31, 2009

**FY 09 CONSOLIDATED REVENUES OF Rs. 5.2 BILLION, UP 42.2%**

**4Q FY 09 REVENUES OF Rs. 1.38 BILLION, UP 22.4%**

**FY 09 EBIDTA AT Rs. 892 MILLION, UP 26.8%**

**FY 09 NET PROFIT OF Rs. 448 MILLION, UP 13.4%**

### Highlights

- ❖ Advertisement revenue was Rs 4.0 billion for the year ended March 31, 2009, an increase of 39.6% as compared to the corresponding period last fiscal. 4Q FY 09 advertisement revenue went up 20.5% to Rs. 1.0 billion.
- ❖ Subscription revenue was Rs 968 million for the year ended March 31, 2009, an increase of 45.1% as compared to the corresponding period last fiscal. 4Q FY 09 subscription revenue was Rs. 286 million, up 30.2%.
- ❖ EBIDTA was Rs 892 million for the year ended March 31, 2009, an increase of 26.8% as compared to the corresponding period last fiscal. EBIDTA margin was 17.1%. Net Profit after Tax was Rs. 448 million for the year ended March 31, 2009, as against Rs. 395 million in the corresponding period last fiscal.
- ❖ All channels' viewership share of ZNL channels in the total C&S Universe grew to 5.50% in Q4 FY09 as compared to 4.90 % in the corresponding period last fiscal.
- ❖ The flagship channel 'Zee News' continued to deliver strong revenues while sticking to sensible news. Both 'Zee Marathi' and 'Zee Bangla' maintained leadership in their respective genres.
- ❖ '24 Ghanta' maintained its leadership in the genre, 'Zee Business' recorded sustained improvement in viewership ratings, often emerging as No. 1 in the genre. Zee 24 Taas overtook its nearest competitor and emerged as the clear No.1.
- ❖ New businesses - 'Zee Kannada' and 'Zee Telugu' continued gaining traction in viewership and revenue share. 'Zee 24 Taas' recorded 4Q FY 09 YoY GRP growth of 118%.

Zee News Limited

135, Continental Building, Dr. Annie Besant Road, Worli, Mumbai 400 018, India  
Tel: +91 22 6697 1234

**EARNINGS RELEASE FOR THE QUARTER & YEAR ENDED MARCH 31, 2009**

**NOIDA, India; April 23, 2009** – Zee News Limited (ZNL) today reported fourth quarter fiscal '09 consolidated revenue of Rs. 1.38 billion, representing 22.4% growth over the corresponding quarter last fiscal. This resulted in the consolidated operating revenues for FY 09 crossing the five billion mark and closing at Rs. 5.2 billion, up by a strong 42.2%. Fiscal 09 consolidated EBIDTA stood at Rs. 892 million, up by 26.8% while Net Profit recorded was Rs. 448 million, up by 13.4%.

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 and year ended on March 31, 2009.

Mr. Subhash Chandra, Chairman, ZNL, said, "It has been a unique year for the television broadcasting industry. While there has been some slowdown witnessed in the print media segment and also in a section of the television broadcasting segment catering to the Hindi mass markets, we are happy to see that the news and regional segments have not been affected, as much. This validates our belief of making early investments in the fast growing regional television market. The regional channels of Zee News Limited have created a strong leadership position within the Hindi speaking markets, while the news segment continues to build on its leadership position. In recent years, we have made further investments in the Southern markets including Kannada, Telugu and Tamil and are very confident of making a significant impact in the years to come."

Mr. Chandra elaborated "The television broadcasting industry in India continues to grow, with more households watching television and a good proportion opting for digital services. The growth in television households now is coming also from the hinterlands. The viewers in these areas have a higher inclination to consume programming in their local language. Also, advertisers find the regional television segment a good vehicle to reach these audiences in a more effective manner. We are confident that Zee News Limited, with its strong portfolio of brands and a focused approach towards building its market share, will stand out among its peers."

Commenting on the performance, Mr. Chandra continued "I am glad to share with you that Zee News Limited has done extremely well during the quarter, in the face of a slowdown. Advertisement revenues for the full year recorded a growth of 40% while subscription revenues grew by 45%. Despite the big ticket launch of Zee Tamil and pre-launch expenses of Zee 24 Gantalu and Zee News Uttar Pradesh, Zee News Limited managed to maintain its EBIDTA margins almost at par with fiscal '08."

Mr. Laxmi Narain Goel, Managing Director, Zee News Limited, said, "The fourth quarter and fiscal 09 results highlight our focus on current deliverables. We not only outgrew the industry growth rate but also strategically expanded our presence across genres. The year saw an increase in channel share for most all our channels, Zee Business, Zee Telugu, Zee Kannada, Zee 24 Taas and 24 Ghanta being the prominent ones. The robust increase in viewership aided the revenue turnaround for all these channels. Both Zee Marathi and Zee Bangla continued to be market leaders despite competition. With newer channels complimenting the existing drivers, ZNL is ready to take the next big leap going forward,"

"Despite the economic slowdown, Zee News Limited recorded a robust 42% YoY growth in the top-line of Rs. 5.2 billion. This was led by advertising revenue growth of 40% and subscription revenue growth of 45%. The consolidated EBIDTA stood at Rs. 892 million, up 27%. I am confident that with our

**EARNINGS RELEASE FOR THE QUARTER & YEAR ENDED MARCH 31, 2009**

growing bouquet strength, a clear strategic vision and a strong focus on risk-return parameters, we will continue to outgrow the market growth rate," said Mr. Goel.

Mr. Barun Das, CEO, ZNL, said, "FY 09 saw us further strengthening our numero uno position in the news and regional entertainment genre. Although the fiscal gone by was not one of the best years in the history of Indian media industry, I am glad that we bucked the economic slowdown and emerged stronger than ever before. Through agile strategies and an effective cost control platform, we were able to scale much higher than the industry benchmarks."

"Both our existing as well as new businesses achieved excellent top line growth of 26% and 220% respectively as compared to the corresponding period last fiscal. During this year, we witnessed increased competition in some of the markets, also, some strategic investments in a few existing channels have resulted in significant growth and/or widening the gap with competition," he added.

"Last year our Q4 advertising revenue was significantly higher than that in Q3 which was an exception to the usual seasonality. Therefore, YoY 4% growth in advertising revenue is an encouraging performance given the current economic scenario. Continuing with our regional expansion plans, we successfully launched both the promised News channels, 'Zee 24 Gantalu' and 'Zee U.P News' on April 2<sup>nd</sup> and April 5<sup>th</sup> respectively. In West Bengal, our operating involvement with the Akaash Bangla team is progressing as per plan. The current fiscal has brought with it newer challenges and opportunities and we are confident that our focus on fundamentals and our strong network presence will help us excel this year also," he mentioned.

**Condensed Consolidated Statement of Operations**

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

(Rs. Million)	4th Quarter Ended		% Growth YoY	Up to 4th Quarter Ended		% Growth YoY
	Mar-09	Mar-08		Mar-09	Mar-08	
Operating Revenues	1,384.4	1,130.6	22.4%	5,221.0	3,670.6	42.2%
Expenditure	1,177.5	863.0	36.4%	4,328.5	2,966.7	45.9%
<b>EBIDTA</b>	<b>206.9</b>	<b>267.6</b>	<b>-22.7%</b>	<b>892.5</b>	<b>703.9</b>	<b>26.8%</b>
Depreciation	28.6	21.0	36.1%	95.2	75.7	25.8%
Finance Expenses	89.2	0.7		209.9	5.8	
<b>Operating Income</b>	<b>89.1</b>	<b>245.9</b>	<b>-63.8%</b>	<b>587.4</b>	<b>622.4</b>	<b>-5.6%</b>
Add: Other Income	48.5	4.3		125.5	10.8	
Add / Less: Minority Interest	1.6	0.1		(2.8)	(4.8)	
Less: Provision for Tax	48.4	97.3	-50.3%	267.5	242.8	10.2%
<b>Profit After Tax</b>	<b>87.6</b>	<b>152.8</b>	<b>-42.7%</b>	<b>448.2</b>	<b>395.2</b>	<b>13.4%</b>

### 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 fourth quarter ended March 31, 09.

(Rs. Million)	4th Quarter Ended		% of Total Revenues		Upto 4th Quarter Ended		% of Total Revenues	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
Advertising Revenues	1,070.4	888.3	77.3%	78.6%	4,089.0	2,929.2	78.3%	79.8%
Subscription Revenues	286.1	219.8	20.7%	19.4%	968.5	667.5	18.6%	18.2%
Other Sales & Services	27.9	22.5	2.0%	2.0%	163.5	73.9	3.1%	2.0%
<b>Total Revenues</b>	<b>1,384.4</b>	<b>1,130.6</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5,221.0</b>	<b>3,670.6</b>	<b>100.0%</b>	<b>100.0%</b>

### Expenditure

Zee News' main expenses include goods and operations cost, employee cost and administrative & selling expenses.

(Rs. Million)	4th Quarter Ended		% of Total Expenditure		Upto 4th 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	606.5	468.0	51.5%	54.2%	2,121.9	1,504.6	49.0%	50.7%
Employee Cost	204.3	127.7	17.4%	14.8%	666.4	450.6	15.4%	15.2%
Other Expenses	366.7	267.3	31.1%	31.0%	1,540.1	1,011.5	35.6%	34.1%
<b>Total Expenses</b>	<b>1,177.5</b>	<b>863.0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4,328.4</b>	<b>2,966.7</b>	<b>100.0%</b>	<b>100.0%</b>

### 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 fourth quarter and upto the fourth quarter ended March 31, 2009.

(Rs. Million)	4th Quarter FY 2009			4th Quarter FY 2008			% Growth YoY		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenues	1,024.1	322.3	1,346.4	982.6	119.6	1,102.2	4.2%	169.6%	22.2%
Total Expenses	654.0	491.6	1,145.6	616.6	220.2	836.8	6.1%	123.2%	36.9%
EBIDTA	370.1	(169.3)	200.8	366.0	(100.6)	265.4	1.1%		-24.3%
Operating Margins %	36.1%	-52.5%	14.9%	37.2%	-84.2%	24.1%			

(Rs. Million)	Up to 4th Quarter FY 2009			Up to 4th Quarter FY 2008			% Growth YoY		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenues	4,119.8	954.2	5,074.0	3,280.4	297.8	3,578.2	25.6%	220.4%	41.8%
Total Expenses	2,683.9	1,501.7	4,185.6	2,074.0	795.8	2,869.8	29.4%	88.7%	45.9%
EBIDTA	1,435.9	(547.5)	888.4	1,206.4	(498.0)	708.4	19.0%		25.4%
Operating Margins %	34.9%	-57.4%	17.5%	36.8%	-167.2%	19.8%			

**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, Zee Talkies, Zee 24 Gantalu & Zee U.P News. More information about Zee News Limited and its businesses is available on [www.zeenews.com](http://www.zeenews.com).