



ZEE NEWS LIMITED

EARNINGS RELEASE FOR THE FIRST QUARTER ENDED JUNE 30, 2011

ADVERTISING REVENUES OF INR 436.4 MILLION

SUBSCRIPTION REVENUE OF INR 181.6 MILLION

CONSOLIDATED REVENUES OF INR 636.6 MILLION

EBITDA OF INR 76.6 MILLION

Operating Highlights

- ❖ Advertising revenue stood at Rs 436.4 million for the quarter ended June 30, 2011 and constituted 68.6% of the total revenue.
- ❖ Subscription Revenue for Q1 was Rs 181.6 mn which constituted 28.5% of the total revenue.
- ❖ EBITDA for the first quarter overall stood at Rs 76.6 million, after including the losses incurred by the newly launched channels.
- ❖ The existing news channels Zee News, Zee Business, Zee 24 Taas, Zee Punjabi & 24 Ghanta reported EBDITA of Rs. 139.1 mn.
- ❖ ZNL remains as one of the leading news networks in core TG of CS AB M 25+ in the quarter (Source TAM, Week 14 to 27).

MUMBAI, India; July 25, 2011 – Zee News Limited (ZNL) (BSE: 532794, NSE: ZEENEWS) today reported first quarter fiscal 2012 consolidated revenues of Rs 636.6 million. Consolidated EBITDA stood at Rs 76.6 million.

Net Profit before tax stood at Rs. 50.9 million. The Board of Directors, in its meeting held today, has approved and taken on record the Un-audited financial results of ZNL for the quarter ended on June 30, 2011.

Mr. Subhash Chandra, Chairman, ZNL, said, "The Indian economy has been affected by unrelenting high inflation and tight monetary policy. The GDP growth outlook has been trimmed down by various agencies from the earlier projections. While the macro economic concerns have also impacted the television news industry, we had anticipated this slowdown and the same were factored in our planning. Given that the news TV industry has degrown considerably our performance gives us confidence to evaluate expansion in near future.. Editorially, Zee News and all the vernacular channels remained committed to "news that matters" and earned goodwill of viewers."

He added, "A positive, meanwhile, has been the growth of DTH homes - with 2.9 million being added during the quarter across the nation. The figure reflects positively in favour of digitization and indicates a growing scope for pay TV market."

Mr. Punit Goenka, Managing Director, ZNL, said, "The new financial has started slowly, but considering that the industry de-grew, Zee News Limited has done well to match up with Q1 FY11. Incidentally, Zee News Limited had an exceptionally good Q1 in the last year. In this quarter, the monies got diverted to sporting events, thereby upsetting budgets for other genres including news. We had anticipated this slowdown and had planned accordingly. The company, as the largest and No. 1 news network of the country continues to outperform the industry. Going forward, the news genre looks likely to recover traction with eclectic properties that would be seen as viable spending options. In the meantime, the company recently has adopted a new identity infusing freshness in its look and the market has responded enthusiastically to it."

Mr. Barun Das, CEO, ZNL, said, "While Zee News Limited experienced some slowdown in revenues due to some critical spending product categories being under the weather, our cost effectiveness stood us in better stead compared to the industry in terms of healthy balance sheet. Our well balanced bouquet of national and regional channels is another factor from which we derive immense strength. We had an exceptional first quarter during FY11, and thus our performance during this fiscal has been quite encouraging and in line with our business plans. We are confident that our innovative approach and ability to provide tailor-made solutions will attract national and state level clients and we expect the next quarter performance to improve significantly. We continue to be a leader In terms of Network viewership performance."

Condensed Consolidated Statement of Operations

The table below presents the condensed consolidated statement of operations for Zee News Limited and its subsidiary for the first quarter FY 2012.

Consolidated Financials

(Rs. Million)	1st Quarter ended		% Growth YoY
	Jun-11	Jun-10	
	Unaudited	Unaudited	
Operating Revenue	636.6	648.5	-1.8%
Expenditure	560.0	567.3	-1.3%
EBIDTA	76.6	81.2	-5.8%
Less: Depreciation	26.2	27.1	-3.1%
Less: Finance Expenses	1.5	0.7	130.2%
Add: Other Income	2.0	1.8	8.6%
Net Profit before Tax	50.9	55.2	-7.8%

Consolidated Financials (Break up of Revenues)

(Rs. Million)	1st Quarter ended		% of Total Revenues		% Growth YoY
	Jun-11	Jun-10	Jun-11	Jun-10	
	Unaudited	Unaudited	Unaudited	Unaudited	
Advertising Revenue	436.4	452.2	68.6%	69.7%	-3.5%
Subscription Revenue	181.6	180.3	28.5%	27.8%	0.7%
Other Sales & Services	18.6	16.0	2.9%	2.5%	16.7%
Total Revenues	636.6	648.5	100.0%	100.0%	-1.8%

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	1st Quarter ended		% of Total Expenditure		% Growth YoY
	Jun-11	Jun-10	Jun-11	Jun-10	
	Unaudited	Unaudited	Unaudited	Unaudited	
Cost of Goods & Operations	105.0	127.8	18.8%	22.5%	-17.8%
Employee Cost	190.0	165.6	33.9%	29.2%	14.7%
Other Expenses	265.0	273.9	47.3%	48.3%	-3.2%
Total Expenses	560.0	567.3	100.0%	100.0%	-1.3%

Consolidated Financials

(Rs. Million)	1st Quarter FY 2011			1st Quarter FY 2010			Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenue	608.4	28.2	636.6	613.8	34.7	648.5	-0.9%	-18.8%	-1.8%
Total Expenses	469.3	90.7	560.0	405.5	161.8	567.3	15.7%	-44.0%	-1.3%
EBIDTA	139.1	(62.5)	76.6	208.3	(127.1)	81.2	-33.2%	-50.8%	-5.7%
EBIDTA Margins	22.9%	-222.0%	12.0%	33.9%	-366.8%	12.5%			

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

Business Highlights

- ❖ Zee News Limited was not only the Nation's largest news Network, but also a leader in viewership performance in relative share in the Core News Category. (Source: TAM, Qtr1-FY 11-12 Week 14 to 27, CS 25+AB Male, All India).
- ❖ The mother channel Zee News, kept its focus on credible news and was highly watched during the recent Mumbai blasts aftermath. It was also No. 2 in Top 8 Metros in terms of Time Spent per Viewer. (Source: TAM, Qtr1-FY 11-12 Week 14 to 27, CS 25+AB Male, Top 8 Metros).
- ❖ Zee Business was no. 2 in Hindi Speaking Markets (HSM) business genre (Source: TAM, Qtr1-FY 11-12 Week 14 to 27, CS 15+ABC Male, HSM).
- ❖ 24 Ghanta remained one of the leading players in West Bengal in all parameters including time spent, viewership and reach in its genre (Source: TAM, Qtr1-FY 11-12 Week 14 to 27, CS 15+, WB). The quarter saw a strong election programming which included on ground interactions with viewers as well. In addition, channel continues to come up with innovative concepts to keep viewers engaged.
- ❖ Zee 24 Taas was followed closely during the recent Mumbai blasts aftermath. The channel also was No.2 in Mumbai in terms of Time Spent per Viewer in its Genre for the entire quarter. (Source: TAM, Qtr1-FY 11-12 Week 14 to 27, CS 15+, Mumbai).
- ❖ Among the newly launched news channels, Zee News Uttarakhand/Uttar Pradesh emerged as the No. 1 channel terms of Relative Share in its genre. (Source: TAM, Qtr1-FY 11-12 Week 14 to 27, CS 15+, UP). There were a slew of new programme launches to make the channel even more engaging and relevant to the Telugu news viewer.

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 the leading news network of India. It has a unique cluster of news, current affairs and regional news channels, which includes Zee News, Zee Business, Zee Punjabi, Zee 24 Taas, Zee 24 Gantalu & Zee News U.P More information about Zee News Limited and its businesses is available on www.zeenews.com.