



ZEE NEWS LIMITED

EARNINGS RELEASE FOR THE THIRD QUARTER ENDED DECEMBER 31, 2010

ADVERTISING REVENUES OF INR 541.7 MILLION
SUBSCRIPTION REVENUE OF INR 185.9 MILLION
CONSOLIDATED REVENUES OF INR 744.4 MILLION
EBITDA OF INR 134.5 MILLION

Highlights

- ❖ Advertising revenue showed a growth of 32.7% YOY and stood at Rs. 541.7 million for the quarter ended December 31, 2010.
- ❖ During the nine months ending December 2010, advertising revenue grew by 21.5% over the corresponding period last year. This is despite the fact that advertising revenue for news channels last year was boosted by General Elections.
- ❖ Subscription Revenue for Q3 was Rs. 185.9 mn which constituted 25% of the total revenue.
- ❖ The existing news channels Zee News, Zee Business, Zee 24 Taas, Zee Punjabi & 24 Ghanta reported EBDITA of Rs. 225.2 million.
- ❖ EBITDA for the third quarter overall stood at Rs 134.5 million, after including the losses incurred by the newly launched channels.
- ❖ Zee News Limited has emerged as not only the Nation's largest news organization, but also the No.1 news network of the country in terms of viewership in the core category. (52-week Average, AB Male 25+, Source: TAM)
- ❖ The flagship channel 'Zee News' showed growth during Prime Time, as it was No. 1 in Top 8 Metros during this segment. The channel continued its editorial bent of showing serious, relevant news in an industry which tends to sensationalize news.
- ❖ 'Zee Business' remained the most watched business channel during the crucial stock market band.

- ❖ 24 Ghanta was the clear No. 1 in Q3 in West Bengal in terms of time spent, reach and share in its genre.
- ❖ Among the newly launched news channels, Zee News UP continued to show promise in Uttar Pradesh and Uttarakhand markets, while 24 Gantalu showed accelerated viewership growth in Andhra Pradesh. Both the channels have been well received and the performance is as per plans. Zee Tamiz has reached closer to the 100 GRP mark in the Tamil market.

MUMBAI, India; January 20, 2011 - - Zee News Limited (ZNL) (BSE: 532794, NSE: ZEENEWS) today reported third quarter fiscal 2011 consolidated revenues of Rs 744.4 million. Consolidated EBITDA stood at Rs 134.5 million.

Net Profit before tax stood at Rs. 103.6 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 December 31, 2010.

Mr. Subhash Chandra, Chairman, ZNL, said, "The news genre on television is marked by intense competition in India, unlike any other country in the world. Most news channels in India are incurring losses. Our objective is to create a focused news organization which can create value for the shareholders in the long term. I am happy that Zee News Limited, not only differentiates itself by delivering unbiased, serious and credible news to its viewers, but does it profitably."

He added, "Our company continues to outperform competition due to its quality of manpower, which is kept motivated with several training schemes to build leadership in the organization. We aim to create a news powerhouse which is close to the action and can reach out to every viewer in his/her preferred language and I am happy to say that we are progressing very well toward the goal."

Mr. Punit Goenka, Managing Director, ZNL, said, "Zee News Limited has shown significant growth in profitability in this quarter. Evidently, the editorial and business decisions taken by the Company in the recent past are reaping rich dividends. The consistent emphasis on serious news has made Zee News Limited not just the largest, but also the No. 1 news network of India. The leadership position of the network has in turn helped augment the company's financial position thus creating a win-win situation. Business performance during the slowdown and beyond shows great potential of growth from here. I am hopeful of continued improvement in business performance as we start are planning for the next fiscal."

Mr. Barun Das, CEO, ZNL, said, "ZNL has shown that pragmatic and creative approach works best in the news market - national and vernacular. EBITDA margin of 18% is quite healthy considering that there are three new channels which are still on way to break even; whereas the EBITDA of Rs 225.2 million and margin of 32.6% for the group of existing channels demonstrates the quality of operational efficiency. In the context, the all-round performance of our bouquet of channels would

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continue to be our critical success factor. Our focus on “news that matters” has established our credentials as a network.”

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 FY 2011. In view of the recent de merger of RGEN channels with effect from the Appointed Date January 01, 2010 from ZNL to Zee Entertainment Enterprises Limited (ZEEL), Q3FY11 numbers are not comparable with the Q3FY10 numbers.

Consolidated Financials

(Rs. Million)	3rd Quarter ended		Upto 3rd Quarter ended	
	Dec-10	Dec-09	Dec-10	Dec-09
Operating Revenue	744.4	1,706.0	2,008.8	4,692.5
Expenditure	609.9	1,342.4	1,722.8	3,823.4
EBIDTA	134.5	363.6	286.0	869.1
Depreciation	26.7	28.8	77.6	89.8
Operating Profit	107.8	334.8	208.4	779.3
Less: Finance Expenses	27.9	80.1	96.8	228.2
Add: Other Income	23.7	47.3	79.5	134.6
Net Profit before Tax	103.6	302.0	191.1	685.7

*Previous year numbers are not comparable

Consolidated Financials (Break up of Revenues)

(Rs. Million)	3rd Quarter ended		% of Total Revenues	
	Dec-10	Dec-09	Dec-10	Dec-09
Advertising Revenue	541.7	1,402.0	72.8%	82.2%
Subscription Revenue	185.9	280.6	25.0%	16.4%
Other Sales & Services	16.8	23.4	2.2%	1.4%
Total Revenues	744.4	1,706.0	100.0%	100.0%

*Previous year numbers are not comparable

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	3rd Quarter ended		% of Total Expenditure	
	Dec-10	Dec-09	Dec-10	Dec-09
Cost of Goods & Operations	140.3	637.0	23.0%	47.5%
Employee Cost	181.7	205.6	29.8%	15.3%
Other Expenses	287.9	499.8	47.2%	37.2%
Total Expenses	609.9	1,342.4	100.0%	100.0%

*Previous year numbers are not comparable

Consolidated Financials (Break up of Revenues)

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(Rs. Million)	Upto 3rd Quarter ended		% of Total Revenues	
	Dec-10	Dec-09	Dec-10	Dec-09
Advertising Revenue	1,401.2	3,772.7	69.8%	80.4%
Subscription Revenue	560.3	821.9	27.9%	17.5%
Other Sales & Services	47.3	97.9	2.3%	2.1%
Total Revenues	2,008.8	4,692.5	100.0%	100.0%

*Previous year numbers are not comparable

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	Upto 3rd Quarter ended		% of Total Expenditure	
	Dec-10	Dec-09	Dec-10	Dec-09
Cost of Goods & Operations	423.2	1,816.4	24.6%	47.5%
Employee Cost	518.4	591.7	30.1%	15.5%
Other Expenses	781.2	1,415.3	45.3%	37.0%
Total Expenses	1,722.8	3,823.4	100.0%	100.0%

*Previous year numbers are not comparable

Consolidated Financials

(Rs. Million)	3rd Quarter FY 2011			3rd Quarter FY 2010		
	Existing	New	Total	Existing	New	Total
Total Revenue	690.8	53.6	744.4	1,213.3	492.7	1,706.0
Total Expenses	465.6	144.3	609.9	820.0	522.5	1,342.5
EBIDTA	225.2	(90.7)	134.5	393.3	(29.8)	363.5
EBIDTA Margins	32.6%	-169.1%	18.1%	32.4%	-6.1%	21.3%

*Previous year numbers are not comparable

Consolidated Financials

(Rs. Million)	Upto 3rd Quarter FY 2011			Upto 3rd Quarter FY 2010		
	Existing	New	Total	Existing	New	Total
Total Revenue	1,883.0	125.8	2,008.8	3,376.4	1,316.1	4,692.5
Total Expenses	1,262.8	460.0	1,722.8	2,197.8	1,625.6	3,823.4
EBIDTA	620.2	(334.2)	286.0	1,178.6	(309.5)	869.1
EBIDTA Margins	32.9%	-265.7%	14.2%	34.9%	-23.5%	18.5%

*Previous year numbers are not comparable

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



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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 Tamizh, Zee 24 Gantalu & Zee News U.P More information about Zee News Limited and its businesses is available on www.zeenews.com.