



## ZEE NEWS LIMITED

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### **EARNINGS RELEASE FOR THE FOURTH QUARTER ENDED MARCH 31, 2012**

**EBITDA FOR Q4FY12 OF INR 184.1 MILLION WITH YOY GROWTH OF 33.1% WITH A  
MARGIN OF 21.3%, UP FROM 18.2% LAST YEAR**

**NET PROFIT BEFORE TAX OF INR 197.8 MILLION WITH YOY GROWTH OF 65.3%**

**CONSOLIDATED REVENUES OF INR 863.6 MILLION**

#### **Operating Highlights**

- ❖ The company continued to display strong operational prowess on various financial metrics. Bucking the market trends, Zee News Ltd., showed a strong growth of 65.3% in Net Profit Before Tax in the quarter ending March 31, 2012. In the same vein, the Net Profit Before Tax for the full year 2011-12 grew by 51.4% at Rs. 470.3 mn.
- ❖ EBITDA margins showed an improvement on a YoY basis from 18.2% in the Q4 last year at Rs. 138.3 mn to 21.3% at Rs. 184.1 mn for the current year quarter ended Mar 31, 2012. EBITDA for the year had a growth of 25.8%, increasing from Rs. 424.0 mn in last year to Rs. 533.5 mn in the current year.
- ❖ The overall revenues for the quarter increased by 13.8% to Rs. 863.6 mn in a quarter which is expected to have muted revenue increase for other media firms. Meanwhile, the overall revenues for the full year 2011-12 grew by 11.0%, increasing from Rs. 2,767.9 mn to Rs. 3,072.2 mn. This includes revenue accrued due to transfer of part of inventory of programs and films related to Zee Tamil to ZEEL subsequent to Zee Tamil discontinuance, which has its contra effect in the cost of operations.
- ❖ As has been the trend in earlier quarters, Subscription revenues showed a steady growth and were at Rs. 208.3 mn, a 19.1% increase over the last year. The full year 2011-12 Subscription revenues grew by 1.0% to Rs. 742.7 mn on a consolidated level. This sets a strong base for the anticipated benefits of upcoming Digitization. Another point to be noted here is that the real growth in Subscription revenues was higher as they were booked net of expenses. This change was necessitated due to the formation

of Media Pro, a joint venture, which pays subscription revenues to ZEE, net of expenses. Hence, the numbers are not comparable to those of corresponding period last year.

- ❖ The Advertising revenues for the full year 2011-12 grew by 2.2% to Rs. 2,004.6 mn despite discontinuation of Zee Tamil. The quarter's advertising revenues were at Rs. 562.9 mn as compared to the last year's Rs. 560.6 mn.
- ❖ The existing channels Zee News, Zee Business, Zee 24 Taas, Zee Punjabi & 24 Ghanta continued to grow in terms of revenues by 15.5% for the quarter to Rs. 822.3 mn from the last year's Rs. 711.8 mn. EBITDA margins continued to be strong at 28.1%. Correspondingly, for full year 2011-12, the existing channels increased their revenues by 13.3% to Rs. 2,940.4 mn.
- ❖ New business losses have come down to Rs. 47.0 mn for the last quarter from the loss of Rs. 108.2 mn in the same period the last year due to discontinuance of Zee Tamil. For the full year 2011-12, the losses were Rs. 227.4 mn, significantly lower than previous year's losses of Rs. 442.7 mn.

**NOIDA, India; May 16, 2012** – Zee News Limited (ZNL) (BSE: 532794, NSE: ZEENEWS) today reported fourth quarter fiscal 2012 consolidated revenues of Rs. 863.6 million. Consolidated EBITDA stood at Rs. 184.1 million with strong EBITDA margins of 21.3 % up from 18.2% in the last year.

Net Profit before tax stood at Rs. 197.8 million, a growth of 65.3% over last year. The Board of Directors, in its meeting held today, has approved and taken on record the audited financial results of ZNL for the quarter ended on March 31, 2012.

Mr. Subhash Chandra, Chairman, ZNL, said, "The Indian economy has been operating on strong fundamentals. While its growth may have slowed down in 2011-12, we hope that the New Year would see constructive steps to spur growth across various sectors. Specifically for Media, the implementation of Digital Addressable System is right step in this regard. Our company, with its continued emphasis on Subscription revenues is expected to get a leg up in its endeavour to have continuous significant growth.

He added, "Continuing consolidation in the industry is another sign of it maturing and more efficiencies being built in. Our Group has been in thick of things with the formation of Media Pro Enterprise Ltd. This would lead to better positioning of Zee News Ltd. in the news distribution space. Meanwhile, as we move into the new financial year, we are emphasizing even more on innovative growth with Network leveraged properties."

Mr. Punit Goenka, Managing Director, ZNL, said, “We have always been thought leaders and innovators in the news space to provide better experience for the mature news viewer. In a scenario where the viewer has to bear with long ad breaks only to get updated with ‘entertainment’ loaded news, our company has taken the initiative of ‘Maximum News, Minimum Break’ for our flagship channel Zee News wherein we have reduced our inventory by over 30%”

He added, “Our emphasis on placing the customer first, be it the viewer or the advertiser, coupled with efficient Network operations has resulted in robust growth in EBITDA in a quarter, and a year, where growth of most of the companies is expected to be low. The company is now poised to explore expansion opportunities to leverage the impending digitization. The company has already initiated expansion in the new media arena with the launch of 3 new regional websites.”

Mr. Barun Das, CEO, ZNL, said, “We have come out of the economic slowdown stronger than most. Our aggressive focus on ad revenues from non-traditional streams has helped us post a better growth compared to the industry which is expected to stay flat or show early single digit growth. Meanwhile, our EBITDA margins have stayed strong. We continue to be committed to long term growth in all aspects of business. Being on a healthy growth path post demerger of GECs, a series of strategic initiatives are on the cards which will be implemented in due course of time.”

### Condensed Consolidated Statement of Operations

The table below presents the condensed consolidated statement of operations for Zee News Limited and its subsidiary for the second quarter FY12.

#### Consolidated Financials

(Rs. Million)	4th Quarter ended		% Growth YoY	Cumm. For Full Year		% Growth YoY
	FY12	FY11		FY12	FY11	
Operating Revenue	863.6	759.2	13.8%	3,072.2	2,767.9	11.0%
Expenditure	679.5	620.9	9.4%	2,538.7	2,343.9	8.3%
<b>EBIDTA</b>	<b>184.1</b>	<b>138.3</b>	<b>33.1%</b>	<b>533.5</b>	<b>424.0</b>	<b>25.8%</b>
Less: Depreciation	30.9	23.2	33.2%	112.1	100.8	11.2%
Less: Finance Expenses	25.4	29.2	-12.7%	106.6	125.7	-15.2%
Add: Other Income	70.0	33.8	107.3%	155.5	113.2	37.3%
<b>Net Profit before Tax</b>	<b>197.8</b>	<b>119.7</b>	<b>65.3%</b>	<b>470.3</b>	<b>310.7</b>	<b>51.4%</b>

During the Q4FY12 the Company has been provided for Rs. 166.7 mn towards diminution in value of strategic investments and provision for doubtful advance share application money given to a Media Company as exceptional items.

**Consolidated Financials (Break up of Revenues)**

(Rs. Million)	4th Quarter ended		% of Total Revenues		% Growth YoY
	FY12	FY11	FY12	FY11	
Advertising Revenue	562.9	560.6	65.2%	73.8%	0.4%
Subscription Revenue	208.3	174.9	24.1%	23.0%	19.1%
Other Sales & Services	92.4	23.7	10.7%	3.1%	290.3%
<b>Total Revenues</b>	<b>863.6</b>	<b>759.2</b>	<b>100.0%</b>	<b>100.0%</b>	<b>13.8%</b>

\*Operating revenues and expenditure for Q4 FY2012 are not comparable to those for Q4 FY2011 because of the change in accounting treatment of domestic subscription revenues, which are now being reported net of expenses. This change has been necessitated due to the formation of Media Pro, a joint venture, which pays subscription revenues to ZEE net of expenses.

\*\* Subsequent to Zee Tamil discontinuance, the company has transferred part of inventory of programs and films related to Zee Tamil to ZEEL of Rs. 198.47 mn for FY2012. Accordingly, Other Sales & Services as well as Cost of Goods & Operations are higher by this amount.

**Consolidated Financials (Break up of Expenditures)**

(Rs. Million)	4th Quarter ended		% of Total Expenditure		% Growth YoY
	FY12	FY11	FY12	FY11	
Cost of Goods & Operations	200.8	159.9	29.5%	25.7%	25.6%
Employee Cost	176.4	174.1	26.0%	28.0%	1.3%
Other Expenses	302.3	286.9	44.5%	46.2%	5.4%
<b>Total Expenses</b>	<b>679.5</b>	<b>620.9</b>	<b>100.0%</b>	<b>100.0%</b>	<b>9.4%</b>

**Consolidated Financials (Break up of Revenues)**

(Rs. Million)	Cumm. For Full Year		% of Total Revenues		% Growth YoY
	FY12	FY11	FY12	FY11	
Advertising Revenue	2,004.6	1,961.7	65.3%	70.9%	2.2%
Subscription Revenue	742.7	735.3	24.2%	26.6%	1.0%
Other Sales & Services	324.9	70.9	10.5%	2.5%	358.1%
<b>Total Revenues</b>	<b>3,072.2</b>	<b>2,767.9</b>	<b>100.0%</b>	<b>100.0%</b>	<b>11.0%</b>

**Consolidated Financials (Break up of Expenditures)**

(Rs. Million)	Cumm. For Full Year		% of Total Expenditure		% Growth YoY
	FY12	FY11	FY12	FY11	
Cost of Goods & Operations	703.7	588.6	27.7%	25.1%	19.5%
Employee Cost	744.8	692.5	29.3%	29.5%	7.5%
Other Expenses	1,090.2	1,062.7	42.9%	45.4%	2.6%
<b>Total Expenses</b>	<b>2,538.7</b>	<b>2,343.8</b>	<b>100.0%</b>	<b>100.0%</b>	<b>8.3%</b>

**Consolidated Financials**

(Rs. Million)	4th Quarter FY12			4th Quarter FY11			Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenue	822.3	41.3	863.6	711.8	47.4	759.2	15.5%	-12.8%	13.8%
Total Expenses	591.2	88.3	679.5	465.3	155.6	620.9	27.1%	-43.3%	9.4%
<b>EBIDTA</b>	<b>231.1</b>	<b>(47.0)</b>	<b>184.1</b>	<b>246.5</b>	<b>(108.2)</b>	<b>138.3</b>	<b>-6.2%</b>	<b>-56.6%</b>	<b>33.1%</b>
<b>EBIDTA Margins</b>	<b>28.1%</b>	<b>-113.8%</b>	<b>21.3%</b>	<b>34.6%</b>	<b>-228.4%</b>	<b>18.2%</b>			

**Consolidated Financials**

(Rs. Million)	Cumm. For Full Year FY12			Cumm. For Full Year FY11			Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenue	2,940.4	131.9	3,072.2	2,594.8	173.1	2,767.9	13.3%	-23.8%	11.0%
Total Expenses	2,179.4	359.3	2,538.7	1,728.1	615.8	2,343.9	26.1%	-41.7%	8.3%
<b>EBIDTA</b>	<b>761.0</b>	<b>(227.4)</b>	<b>533.5</b>	<b>866.7</b>	<b>(442.7)</b>	<b>424.0</b>	<b>-12.2%</b>	<b>-48.6%</b>	<b>25.8%</b>
<b>EBIDTA Margins</b>	<b>25.9%</b>	<b>-172.4%</b>	<b>17.4%</b>	<b>33.4%</b>	<b>-255.7%</b>	<b>15.3%</b>			

\*\*\* Existing Channels: Zee News, Zee Business, Zee 24 Taas, Zee Punjabi & 24 Ghanta;  
 New Channels: Zee News Uttar Pradesh/Uttarakhand, Zee 24 Gantalu

**Business Highlights**

- ❖ ZNL reaffirmed its leadership amongst the various News Networks by becoming no. 1 in Time Spent Per Viewer with 30.1 minutes in Top 8 metros for the Network for the core news viewer. (Source: TAM, Week 1-13, CS 25+ M ABC, 8 Metros).
- ❖ Zee News, our flagship channel, retained its leadership in the News Content for the rational news viewer and had 17.3% market share. (Source: TAM, Week 1-13, News Bulletin, CS 25+ M AB, HSM). Zee News has created a strong mind space amongst the viewers as a social watch dog and positive social catalyst through its philosophy *Jazba Soch Ka*.

Zee News had an in depth coverage of the recent state elections across India with campaigns like *Sinhasan Ka Semifinal & Punjab Ka Sardar Kaun?*. This was in addition to India's largest voter awareness drive *Apka Vote Apki Taqat* in which we made the voter aware of the rights he had and the kind of changes he can expect if he votes in the elections rather than watch them from the sidewalk. It was encouraging to note that all the states had a healthy voter turnout. Zee News also honoured the *annadaata* of the country through *Krishi Samman* for 20 farmers and youth who contributed to the agricultural progress of our country in partnership with "Mahindra & Mahindra".

- ❖ With a channel share of 21% amongst the six business channels, Zee Business was no. 2 in business new genre Hindi Speaking Markets (Source: TAM, Week 1-13, TG: CS 15+, HSM). The channel continued its focus on the retail investor and small and medium scale enterprises with its programming and on-ground initiatives.

Activities like Hunt for India's Smart Investor (a show aiming to foster the need for financial planning through a unique and engaging reality show format inducing a lot of consumer participation); Emerging Business Forum (a series for SMEs to gain from newer business opportunities), and Commodity Investor Camp Beyond Mandi were a huge draw for our viewers who sought to benefit from our channel. Some of the events were attended by over 700 participants showcasing high affinity the channel has with its viewers.

- ❖ 24 Ghanta continued to rule in Bengali news genre amongst nine channels despite some viewers shifting to news channels which aired football matches. The channel was no. 1 in West Bengal in terms of Relative Share with the channel garnering 29.7% in the core TG. (Source: TAM, Week 1-13, TG: CS 25+ M AB, WB).

We connected with our viewers through our flagship city connect event series *Amar Shahar* which was done across 18 major cities/towns. This property highlighted the civic issues being faced by the people of West Bengal in their respective cities and the solutions expected out of the administration. In addition, the social campaign *Sankalpa* continued wherein the viewers have pledged to create awareness regarding various issues like disappearing tigers to salinity of the Ganges to increasing pollution to women's rights. *Sankalpa* continued to garner tremendous support from the viewers.

- ❖ Zee 24 Taas continued to be appreciated by the Mumbai viewers in particular and was no. 2 in the city with channel share of 32.1%. (Source: TAM, Week 1-13, CS 15+, Mum).

The was the first to kick off the municipal election coverage in terms of alliances brewing and the report card of various wards across cities like Mumbai, Pune, Nashik, Nagpur, etc. *Mahapalikecha Ranasangram* saw several political figures coming in as Guest Editors on the channel. Our flagship CSR property *Ananya Sanman* saw veteran actors Ramesh Deo and Seema Deo (of *Anand* movie fame) being conferred the Lifetime Achievement honour apart from several unsung heroes from the field of education, sports, social work, etc.

- ❖ Zee News UP/Uttarakhand was No. 2 channel in terms of reach in UP with a reach of 1.49 mn. (Source: TAM, Week 1-13, TG: CS 15+, UP).

The channel reaffirmed its role as a neutral and analysis oriented channel during one of the most politically active periods - the state elections. The channel had a spate of new programmes on elections starting from the report card of the incumbent

government and its post holders, the aspirants and expectations of the public in general.

- ❖ Zee 24 Gantalu, as the only politically non-aligned channel in AP, continued its efforts to present unbiased views to the discerning Telugu viewer.
- ❖ Zee Punjabi launched *Sa Re Ga Ma Pa* across Punjab which was over 7,000 registrations coming in from the entire state and the auditions were held in the cities of Chandigarh, Amritsar, Ludhiana and Patiala. The property has received tremendous response from the viewers.
- ❖ Zeenews.com emerged as the fastest growing news site with 20% month on month growth and having 5 million unique users in the month of March, 2012. (Source: Google Analytics, ComScore Direct). The site, on state elections counting day, channel attracted as many as 40,000 viewers per second and had over 350 stories updated over a period of 24 hours.

## Channel Portfolio

### National News Channels



### Regional News Channels



**Note: This earnings release contains results that are 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 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 UP/Uttarakhand. More information about Zee News Limited and its businesses is available on [www.zeenews.com](http://www.zeenews.com).