



ZEE NEWS LIMITED

EARNINGS RELEASE FOR THE FIRST QUARTER ENDED JUNE 30, 2012

**CONSOLIDATED OPERATING REVENUES OF INR 688.8 MILLION, A YOY GROWTH OF
8.2%**

**EBITDA OF INR 53.4 MILLION AND NET PROFIT BEFORE TAX OF RS. 40.1 MN FOR
THE QUARTER**

Operating Highlights

- ❖ Despite the flagship channel, Zee News, taking inventory 30% cut and operating in a difficult economic and industry environment, Zee News Ltd. continued to drive growth in the Operating Revenues with 8.2%. The Operating Revenues stood at Rs. 688.8 mn as compared to previous year's Rs. 636.6 mn.
- ❖ Ad revenues displayed better growth than the news industry in general despite the inventory cut of the flagship channel with a 6.2% growth at Rs. 463.2 mn as opposed to Rs. 436.4 mn in the same period during last year.
- ❖ Subscription Revenues showed a slight degrowth of 3.0% at Rs. 176.0 mn. However, 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 with effect from Jul 1, 2011, 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. We expect the completion of Phase 1 of Cable Digitization to add substantially to the Subscription Revenues.
- ❖ EBITDA stood at Rs. 53.4 mn as opposed to Rs. 76.6 mn on account of increased expenses due to general inflationary trends.
- ❖ ZNL reaffirmed its leadership amongst the various News Networks and was No. 1 in relative share in Top 6 metros for the Network. (Source: TAM, Week 14-26, CS 15+, 6 Metros).

- ❖ Although overall viewership position for Zee News, our flagship channel, has consolidated at no 4 for the general news viewer at 12%, the channel was No. 2 in terms of Time Spent Per Viewer for the premium viewer and retained its leadership in the News Content with 17.3% news content share in Top 8 channel scenario. (Source: TAM, Week 14-26, News Bulletin, CS 15+ for general news viewer, CS 25+ AB, Top 8 Metros).
- ❖ Zee Business, India's first 24-hour Hindi business channel, continues to reign supreme. As per the Q1 13 weeks average, Zee Business garnered a channel share of 25% – a strong No. 2 position in the 6 channel business news genre. (Source: TAM, Week 14-26, TG: CS 15+, HSM)

Mumbai, India; Jul 19, 2012 – Zee News Limited (ZNL) (BSE: 532794, NSE: ZEENEWS) today reported first quarter fiscal 2013 consolidated revenues of Rs. 688.8 million. Consolidated EBITDA stood at Rs. 53.4 million. Net Profit before tax stood at Rs. 40.1 million

and Operating Expenditure at Rs. 635.5 mn. 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, 2012.

Mr. Subhash Chandra, Chairman, Zee News Ltd., said, "There is an overhang of inflation which is looming over the different sectors as well as the consuming class in India. While the perceived lack of action on reforms is being talked about, the India story is still perceived to be strong in the global arena. Always having a focus on current deliverables, our strategies are born out of a long term vision. This has enabled us to tide various troubled waters."

He added, "A couple of aspects of business environment are expected to improve with slow but sure Cable Digitization. Our results are in line with our expectations in a scenario wherein growth is under pressure for a lot of sectors."

Mr. Punit Goenka, Managing Director, ZNL, said, "To encash in on Cable Digitization, we have cut down inventory of our flagship channel Zee News took by 30% under the Maximum News, Minimum Breaks initiative. While, the company has shown revenue growth despite the inventory cut, the viewership increase should happen in due course of time. The delay in deadline of Phase 1 of Cable Digitization is a speed bump in improving the business models of television news broadcasters. While the delay is certainly disappointing, our existing strength in Subscription Revenues should see us through this period of transition. Our New Strategic Initiatives plan is in place to leverage increased viewer choice as well as improved business model post Cable Digitization."

He added, "Meanwhile, we continue to ensure that the brand salience of the individual channels in News Network is maintained and strengthened through our various marketing activities."

Mr. Barun Das, CEO, ZNL, said, "Zee News Ltd. has always been prudent in news operations. While looking at the current economic environment, we have tightened our belts on our operational expenses; we have earmarked a separate set of investments towards strategic programming and marketing initiatives. With Cable Digitization being pushed back there are challenges in the future. But since government and other stakeholders are committed to Cable Digitization, a company like us with focus on multiple revenue sources would stand to gain immensely in the long term."

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 2013.

Consolidated Financials

(Rs. Million)	1st Quarter ended		% Growth YoY
	Jun-12	Jun-11	
	Unaudited	Unaudited	
Operating Revenue*	688.8	636.6	8.2%
Expenditure*	635.4	560.0	13.5%
EBIDTA	53.4	76.6	-30.3%
Less: Depreciation	26.1	26.2	-0.6%
Less: Finance Expenses	23.6	27.0	-12.6%
Add: Other Income	36.4	27.4	32.7%
Net Profit before Tax	40.1	50.8	-21.0%

Consolidated Financials (Break up of Revenues)

(Rs. Million)	1st Quarter ended		% of Total Revenues		% Growth YoY
	Jun-12	Jun-11	Jun-12	Jun-11	
	Unaudited	Unaudited	Unaudited	Unaudited	
Advertising Revenue	463.2	436.4	67.2%	68.6%	6.2%
Subscription Revenue	176.0	181.6	25.6%	28.5%	-3.0%
Other Sales & Services	49.6	18.6	7.2%	2.9%	166.2%
Total Revenues	688.8	636.6	100.0%	100.0%	8.2%

*Operating Revenues and Expenditure for Q1 FY2013 are not comparable to those for Q1 FY2012 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

EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2012

formation of Media Pro with effect from Jul 1, 2011, a joint venture, which pays subscription revenues to ZEE net of expenses.

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	1st Quarter ended		% of Total Expenditure		% Growth YoY
	Jun-12	Jun-11	Jun-12	Jun-11	
	Unaudited	Unaudited	Unaudited	Unaudited	
Cost of Goods & Operations	132.1	105.0	20.8%	18.8%	25.8%
Employee Cost	206.3	190.0	32.5%	33.9%	8.6%
Other Expenses	297.0	265.0	46.7%	47.3%	12.1%
Total Expenses	635.4	560.0	100.0%	100.0%	13.5%

Consolidated Financials

(Rs. Million)	1st Quarter FY 2013			1st Quarter FY 2012			Growth		
	Existing**	New**	Total	Existing	New	Total	Existing	New	Total
Total Revenue	654.7	34.1	688.8	608.4	28.2	636.6	7.6%	21.1%	8.2%
Total Expenses	541.7	93.7	635.4	469.3	90.7	560.0	15.4%	3.4%	13.5%
EBIDTA	113.0	(59.6)	53.4	139.1	(62.5)	76.6	-18.7%	-4.6%	30.3%
EBIDTA Margins	17.3%	-	7.7%	22.9%	-	12.0%			

**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 and was No. 1 in relative share in Top 6 metros for the Network. (Source: TAM, Week 14-26, CS 15+, 6 Metros).
- ❖ Although overall viewership position for Zee News, our flagship channel, has consolidated at no 4 for the general news viewer at 12%, the channel was No. 2 in terms of Time Spent Per Viewer for the premium viewer and retained its leadership in the News Content with 17.3% news content share in Top 8 channel scenario. (Source: TAM, Week 14-26, News Bulletin, CS 15+ for general news viewer, CS 25+ AB, Top 8 Metros).

Zee News undertook a number of campaigns highlighting the key issues for the common man. *Saaf Paani Swasth Bharat* created further public awareness on importance of conservation of clean water. The channel, with the support of Indo-Tibetan Border Police (ITBP), conducted 2525 km long water expedition, the longest in India. The campaign earned praise from Hon. Minister of Environment & Forests Ms. Jayanthi Natarajan. Another campaign, *Iss Tasveer Ko Badal Dalo*, empowered the

common man to raise their voice on issues affecting them. We covered the plight of Mumbaikars during Monsoons, which generated tremendous response.

- ❖ Zee Business, India's first 24-hour Hindi business channel, continues to reign supreme. As per the Q1 13 weeks average, Zee Business garnered a channel share of 25% – a strong No. 2 position in the 6 channel business news genre. (Source: TAM, Week 14-26, TG: CS 15+, HSM)

The channel held its 3rd edition of India's Best Market Analyst Awards 2012 with much grandeur at Mumbai in June. Former Finance Minister Shri Pranab Mukherjee was the Chief Guest, and the event was attended by the Who's Who of Indian financial markets. The quarter also featured the culmination event of yet another pioneering initiative by the channel – Hunt For India's Smart Investor. The grand finale of the season 2 of this unique reality show fostering the need for financial planning was held at the iconic BSE and was attended by over 900 retail investors. The culmination of Zee Business' special SME series – Emerging Business Forum which covered 13 clusters this year and engaged with 50 industry associations and more than 4000 entrepreneurs was also held during the quarter. It was a special event held at Eros Hilton Hotel, New Delhi which was attended by small & medium entrepreneurs who came from across the country to be part of this unique gathering of possibly the country's largest SME forum.

- ❖ 24 Ghanta continued to rule in the crowded Bengali news genre. The channel was No. 1 in West Bengal in terms of Relative Share with the channel garnering 30.4% channel share. (Source: TAM, Week 14-26, TG: CS 15+, WB).

The channel conducted the State Summit wherein ideas to herald development and progress in the West Bengal were discussed. Former Hon. Speaker of Lok Sabha Mr. Somnath Chatterjee made the inaugural address while many intellectuals were part of the discourse.

- ❖ Zee 24 Taas was No. 2 across Maharashtra with its incisive news coverage and had a stronger Mumbai channel share of 33.6%. (Source: TAM, Week 14-26, CS 15+, Mum & Mah).

The channel had refreshed programming with the launch of over 5 new daily programmes which have been appreciated by the viewers. The channel took up the mantle of highlighting issues related with developing cities of Maharashtra in terms of infrastructure, industries, public utilities, etc. The first edition of the series, Nashik First was held in the month of May. Nashik First facilitated discussion between industrialists and administrative officials on ways to iron out the city's problems.

- ❖ Zee News UP/Uttarakhand was No. 1 channel in terms of Time Spent Per Viewer in UP during the quarter. The channel has regained its overall leadership in the past few weeks. (Source: TAM, Week 14-26, TG: CS 15+, UP).

Close to 40 civic and social issues were raised with the campaign *Ab Toh Jaago Sarkar*. These included critical issues like fake medicines, electricity crisis, sewage system, Moradabad brass industry concerns, etc. We did ground events across various towns to connect with the viewers on these concern areas which saw a large participation from viewers.

- ❖ 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 undertook Zee Himachal Shikhar Samman honouring the unsung heroes of Himachal Pradesh.
- ❖ Zeenews.com was the only non-English media brand's website to rank among the Top 5 English news media websites of India. The site crossed an unprecedented 7 million Absolute Unique Viewers mark in June, the first time in the site's history. It also recorded nearly 1 million visits on May 24, 2012 alone when CBSE Class X results were declared. The same day, the website attracted up to 35,000 users per second. The micro-sites Euro Cup and IPL got a phenomenal 1.7 million page views and 3.2 million page views respectively. (Source: Google Analytics)

Channel Portfolio

National News Channels



Regional News Channels



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 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.