



EARNINGS RELEASE FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2017

OPERATING REVENUES GREW BY 23.9% TO Rs 1,246 MN IN Q2FY18 FROM Rs 1,005.7 MN IN Q2FY17

ADVERTIZING REVENUES WITNESSED A GROWTH OF 31.2% TO Rs 1,111 MN IN Q2FY18 FROM Rs 847.1 MN IN Q2FY17

Operating Highlights

- ❖ Operating revenue grew by 23.9% to Rs 1,246 mn in Q2FY18 from Rs 1,005.7 mn in Q2FY17. For H1FY18, it stood at Rs 2,390.5 mn, a growth of 16.7% over H1FY17. The growth comes despite pull back by advertisers caused by implementation of GST.
- ❖ Operating Expenditure in Q1FY18 grew by 31.4% to Rs 1,032.9 mn from Rs 786.3 mn in Q2FY18. In H1FY18, the expenditure grew by 19.7% to Rs 1,925.3 mn from Rs 1,609.1 mn in H1FY17. The increase in expenditure is on account of three new channels – WION, Zee Salaam, and Zee 24 Kalak along with launch of operations of subsidiary company EZmall.com.
- ❖ EBITDA for Q2FY18 reduced by 2.9% to Rs 213 mn from Rs 219.4 mn for the corresponding period last financial year. However, for H1FY18, EBITDA grew by 5.8% to Rs 465.2 mn from Rs 439.8 mn in H1FY17.

Noida, India; October 31, 2017 – Zee Media Corporation Limited (ZMCL) (BSE: 532794, NSE: ZEEMEDIA) today reported consolidated revenues of Rs 1,246 mn for second quarter of fiscal 2018. The Network incurred expenditure of Rs 1,032.9 mn in the second quarter. The Board of Directors, in its meeting held today, approved and took on record the financial results of ZMCL for the second quarter ended September 30, 2017.

Highlights

(Rs million)	For the Quarter Ended			Upto the Quarter Ended		
	Q2FY18	Q2FY17	YoY Growth	Q2FY18	Q2FY17	YoY Growth
Operating Revenue	1,246.0	1,005.7	23.9%	2,390.5	2,048.9	16.7%
Expenditure	1,032.9	786.3	31.4%	1,925.3	1,609.1	19.7%
Operating Profit (EBITDA)	213.0	219.4	-2.9%	465.2	439.8	5.8%



Condensed Consolidated Statement of Operations

The tables below present the condensed consolidated statement of operations for Zee Media Corporation Limited and its subsidiaries for the second quarter ended September 30, 2017.

Consolidated Statement of Operations

(Rs million)	For the Quarter Ended			Upto the Quarter Ended		
	Q2FY18	Q2FY17	YoY Growth	Q2FY18	Q2FY17	YoY Growth
Operating Revenue	1,246.0	1,005.7	23.9%	2,390.5	2,048.9	16.7%
Expenditure	1,032.9	786.3	31.4%	1,925.3	1,609.1	19.7%
Operating Profit (EBITDA)	213.0	219.4	-2.9%	465.2	439.8	5.8%
Add : Other Income	22.3	29.3	-23.9%	54.2	58.4	-7.3%
Less : Depreciation	90.3	66.3	36.3%	174.1	133.8	30.1%
Less : Finance Cost	35.8	38.2	-6.2%	87.0	70.7	23.0%
Add : Share of Profit / (Loss) of Associates	(16.2)	-		(39.6)	-	
Profit Before Tax before exceptional items	93.0	144.1	-35.5%	218.7	293.7	-25.6%
Add : Exceptional items	-	-		-	-	
Profit Before Tax (PBT) after exceptional items	93.0	144.1	-35.5%	218.7	293.7	-25.6%
Less : Tax Expense	55.0	48.0	14.7%	106.9	99.1	7.9%
Profit After Tax (PAT)	37.9	96.2	-60.6%	111.7	194.6	-42.6%
Less : Minority Interest	19.8	11.0	80.8%	41.3	22.7	82.0%
Other Comprehensive Income	0.5	(3.0)	-115.9%	(5.2)	(3.8)	35.0%

Revenue Streams

(Rs million)	For the Quarter Ended			Upto the Quarter Ended		
	Q2FY18	Q2FY17	YoY Growth	Q2FY18	Q2FY17	YoY Growth
Advertising Revenue	1,111.0	847.1	31.2%	2,129.7	1,720.0	23.8%
Subscription Revenue	117.3	140.9	-16.8%	227.2	295.7	-23.2%
Other sales and services	17.7	17.7	0.3%	33.6	33.2	1.3%
Total Revenue from Operations	1,246.0	1,005.7	23.9%	2,390.5	2,048.9	16.7%

Expenditure

(Rs million)	For the Quarter Ended			Upto the Quarter Ended		
	Q2FY18	Q2FY17	YoY Growth	Q2FY18	Q2FY17	YoY Growth
Operating Costs	216.9	184.9	17%	415.2	341.8	21%
Employee Benefits Expenses	331.7	226.7	46%	625.7	475.4	32%
Marketing, Distribution and Business Promotion Expenses	155.9	84.6	84%	286.9	213.8	34%
Advertisement and Publicity Expenses	55.2	50.4	9%	86.1	103.9	-17%
Other Expenses	273.2	239.6	14%	511.4	474.2	8%
Total Expenses	1,032.9	786.3	31%	1,925.3	1,609.1	20%



Segment Results for the quarter

(Rs million)	For Q2FY18			Upto Q2FY18		
	Television	E-Commerce	Total	Television	E-Commerce	Total
Segment Revenues	1,245.1	0.9	1,246.0	2,389.6	0.9	2,390.5
Profit / (loss) before tax and interest	183.4	(54.3)	129.1	357.0	(54.3)	302.6

Business Highlights

- ❖ ZMCL introduced two new channels during the quarter to expand its regional offerings to 9 channels. *Zee Salaam* was launched on July 21, 2017 to cater to more than 90 million people in the country who read and understand Urdu. *Zee 24 Kalak* was launched on September 28, 2017 to focus on developments in the state of Gujarat and to cater to the Gujarati community in neighboring locations as well.
- ❖ The 13 news channels of ZMCL comprising 1 Global, 3 National and 9 Regional channels continued to be one of the largest TV news networks in the country and reached more than 373.9 million viewers. (Source: BARC, NCCS 2+, All India, ZMCL Channels, 24hrs, Weeks 27-39'2017 Coverage)
- ❖ Zee News, the network's flagship news channel, continued to engage the viewers with differentiated content and enjoyed the highest stickiness with viewers spending average 14.8 minutes per week on the channel, 10% higher than the next best channel. (Source: BARC, NCCS 15+, HSM, 06:00-24:00 hrs, Weeks 27-39'2017, Average Time Spent)
- ❖ Zee Business, our Business News offering, increased its viewership by 17% over previous quarter to reach 24.5 million viewers. (Source: BARC, NCCS 2+, All India, 24hrs, Weeks 27-39'2017 Coverage)

Continuing with its extensive coverage of the new indirect tax regime and its impact across various sectors, the channel organized *GST Conclave*, a discussion forum seeking opinions of union ministers, industry stalwarts and corporates. Some of the notable guests included Union Minister for Road Transport & Highways Nitin Gadkari, Union Minister of Railways Piyush Goyal, Revenue Secretary Hasmukh Adia, and GSTN Chairman Navin Kumar.

- ❖ WION, India's first Global News channel, continues to carve out a niche for itself and increased its viewership by 32% over the previous quarter to 6.7 million viewers. (Source: BARC, NCCS 2+, All India, 24hrs, Weeks 27-39'2017 Coverage)



The channel continued to make a mark with its exclusive on-ground coverage of significant world events including wars in Syria and Iraq, elections in Germany, BRICS summit in Xiamen, and London attacks.

- ❖ 24 Ghanta, the network's Bengali news offering, was the most preferred channel in the region and reached 43.9 million viewers*. The channel continues to exhibit strong performance and surpassed the budgeted revenues for H1FY18 by 21%. (*Source: BARC, NCCS 2+, All India, 24hrs, Weeks 27-39'2017 Coverage)

In its endeavor to integrate the brand with the lifestyle of Bengali audience, 24 Ghanta carried out extensive coverage of celebrations of the biggest festival in the state, Durga Puja, through *Mahapujo* competitions on best Pujo pandals of Kolkata. The channel also organized a quiz *Superstar der Superfight* with RD Burman as theme and with 10 celebrities as contestants.

- ❖ Zee 24 Taas, India's first 24-hour Marathi news channel, continued its domination of the genre with 33% market share. (Source: BARC, NCCS 15+, Maharashtra market, Week 27-39'2017, 06:00-24:00 hrs, 6 Channels, Average Weekly Share based on Impressions)

Zee 24 Taas continued to engage viewers during the festive season through the annual *Mangalagaur* dance competition during the Shraavan Fest and *Eco Ganpati Contest* on Ganesh Chaturthi.

- ❖ Zee Hindustan, our 2nd national Hindi news channel, witnessed a 35% increase in viewership over Q1FY18 and reached more than 171 million viewers. (Source: BARC, NCCS 2+, All India, 24hrs, Weeks 27-39'2017 Coverage)
- ❖ Zee Madhya Pradesh Chhattisgarh, through its relevant and engaging content, continued its dominance in the genre and celebrated 100 consecutive weeks as No. 1. (Source: BARC, NCCS 15+, MP/CG market, Wk 39'2015-Wk 35'2017, 06:00-24:00 hrs, Weekly Share based on Impressions)

To promote a discussion on the state of education in Madhya Pradesh, the channel organized *MP State Summit* with Union Minister of Human Resource Development Prakash Javdekar as Chief Guest. The event culminated with *Education Excellence Awards* to bring forth the efforts of those personalities who have made vital contributions towards education sector in the state.

The channel initiated discussions on developments in health sector in the state through *Chhattisgarh Health Summit* with Chief Minister Raman Singh as Chief Guest. During the event, the channel also accorded *Swasthya Ratna Samman* to people who have made significant impact towards improvement of health sector in the state.

- ❖ Zee Punjab Haryana Himachal, addressing audiences across Himachal Pradesh and Haryana besides Punjab, remained the dominant player in the genre with 39.2% market share. (Source: BARC, NCCS 15+, PHH market, Week 27–39’2017, 06:00-24:00 hrs, 8 Channels, Average Weekly Share based on Impressions)

Continuing with its tradition of recognizing stories and contributions of people in the region, the channel organised *Pride of PHH* to honor the real heroes of the region who, in spite of all the odds against them in the society, excelled in their respective fields.

- ❖ Zee Rajasthan, our regional channel catering to Rajasthani population, reached 38 million viewers[^] across India. During H1FY18, the channel displayed exceptional performance and revenues grew four-fold. ([^]Source: BARC, NCCS 2+, All India, 24hrs, Weeks 27-39’2017 Coverage)
- ❖ Zee Kalinga News, our 24X7 news channel for Odisha, increased its viewership by 46% over the previous quarter to 23.1 million viewers. (Source: BARC, NCCS 2+, All India, 24hrs, Weeks 27-39’2017 Coverage)
- ❖ Zee Bihar Jharkhand, our regional channel targeting the states of Bihar and Jharkhand, dominated the genre with 55% market share. (Source: BARC, NCCS 15+, Bihar/Jharkhand market, Week 27–39’2017, 06:00-24:00 hrs, 4 Channels, Average Weekly Share based on Impressions).
- ❖ Zee Salaam, our new offering for Urdu audience, made an impact immediately and led the genre with 44.7% market share. (Source: BARC, NCCS 15+, HSM market, Week 27–39’2017, 06:00-24:00 hrs, 4 Channels, Average Weekly Share based on Impressions).
- ❖ Zee 24 Kalak, our latest offering for Gujarati population, reached more than 4.9 million viewers. (Source: BARC, NCCS 2+, All India, 24hrs, September 2017 Coverage)

Corporate Development

- ❖ **Shifting of Registered Office:** During the quarter under review, pursuant to approval accorded by the Board earlier, the Registered Office of the Company was shifted within the city to Marathon Futurex, 14th Floor, ‘A’ Wing, N M Joshi Marg, Lower Parel, Mumbai 400 013, with effect from August 18, 2017.
- ❖ **Launch of Gujarati News Channel:** During the quarter, the Company launched a Gujarati News and Current Affairs Channel, Zee 24 Kalak on September 28, 2017.
- ❖ **Launch of Urdu News Channel:** During the quarter, the Company launched an Urdu News Channel, Zee Salaam on July 21, 2017.

- ❖ **Commencement of E-commerce business by Subsidiary:** EZ-Mall Online Limited, a wholly owned subsidiary of the Company, commenced its business operations by launching an e-commerce website. During the quarter under review, the Company invested approximately Rs. 40 million in EZ-Mall.
- ❖ **Scheme of Arrangement & Amalgamation:** Upon receipt of approval of Ministry of Information and Broadcasting, as per extant FDI Policy, by Diligent Media Corporation Limited (DMCL), the Company had announced Friday, October 6, 2017 as Record Date for determining its Shareholders eligible for issuance of Equity Shares by DMCL, in pursuance of the Scheme. Accordingly, the Board of DMCL had on October 9, 2017, approved allotment of 11,77,08,018 Equity Shares to the Shareholders of the Company in pursuance of the Scheme. The Corporate action for crediting these Equity Shares to the beneficiary accounts of allottees and dispatch of physical Share Certificates has been concluded and the Equity Shares of DMCL shall remain frozen in the Depository system till issuance of Listing and Trading approvals by BSE and NSE, process for which has since been initiated by DMCL.
- ❖ **Rebranding of Channel & Corporate Logos:** In line with the aspirations and future plans of News broadcasting operations, the Company rebranded its Channel logos (with effect from October 15, 2017) and Corporate Logos (with effect from 30th October, 2017).

Channel Portfolio

National News Channels



Regional News Channels





Note: The unaudited financial results have been prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India..

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 Media Corporation 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 Media Corporation Limited: Zee Media Corporation Limited is one of the leading news networks of India. It has a unique cluster of news, current affairs and regional news channels, which includes Zee News, Zee Business, WION, Zee Hindustan, Zee Punjab Haryana Himachal, Zee Madhya Pradesh Chhattisgarh, Zee 24 Taas, 24 Ghanta, Zee Kalinga News, Zee Bihar Jharkhand, Zee Rajasthan, Zee Salaam, and Zee 24 Kalak. More information about Zee Media Corporation Limited and its businesses is available on www.zeenews.com.