

EARNINGS RELEASE FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2014

**OPERATING REVENUE HAS GROWN BY 57.9% FROM Rs. 830.2 MN IN Q2 OF FY14
TO Rs. 1,311.2 MN IN THE CORRESPONDING PERIOD OF FY15**

**SUBSCRIPTION REVENUE GREW BY 12.8% FROM Rs. 249.0 MN IN Q2 OF FY14 TO
Rs. 280.7 MN IN Q2 OF FY15**

**ADVERTISING REVENUE POSTED A GROWTH OF 76.0%, INCREASING FROM 529.2
MN IN Q2 OF FY14 TO Rs. 931.4 MN IN Q2 OF FY 15**

Operating Highlights

- ❖ Operating revenue for the quarter grew by 57.9% to Rs. 1,311.2 mn in Q2 of FY15 from 830.2 mn in Q2 of FY14.
- ❖ Advertisement revenue in Q2 of FY15 stood at Rs. 931.4 mn, growing by 76.0% over the corresponding period last year
- ❖ Subscription Revenue also witnessed a growth of 12.8%, from 249 mn in Q2 of FY14 to 280.7 mn in Q2 of FY15
- ❖ EBITDA for Q2 of FY15 stood at Rs. 61.2 mn

Noida, India; Oct 20, 2014 – Zee Media Corporation Limited (ZMCL), erstwhile Zee News Limited, (BSE: 532794, NSE: ZEEMEDIA), today reported second quarter of fiscal 2015 consolidated revenues of Rs. 1,311.2 mn. The Network incurred Operating Expenditure of Rs. 1,250 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 on September 30, 2014.

Dr Subhash Chandra, Non-executive Chairman of the Board, said: “Even as GDP growth in the second quarter is likely to be lower than that in the first quarter of this financial year, domestic industry is likely to witness improved margins which help in developing the investment climate in the country. With India emerging as the only country in the BRICS block to pick up a growth momentum, foreign investors are expected to inject the much needed funds into the system. The honorable Prime Minister’s recent visit to Japan and the US are also likely to augment the same. The mood of public as well as business confidence has improved in general. Providing further buoyancy to the economy is the new hope on the horizon that inflation may finally start softening on the back of steady fall in international crude oil prices and easing of food inflation in the second quarter. A vibrant economy, helped by government’s policy push, will benefit the media and entertainment industry in the mid to long run.”

Dr Bhaskar Das, Group CEO, News Cluster, stated: “Cementing our position as the largest private news network, the 10 news television channels, Mumbai Edition of DNA and news websites of Zee Media Corporation Limited (ZMCL) reached 147 million consumers of news and views across the country. Our incisive and comprehensive coverage of PM Narendra Modi’s visit to the US, which included key guest interaction from ABC News Studio at Times Square, was appreciated by viewers. While we continue with our effort to provide seamless content across various platforms, we have posted robust growth in advertisement revenue. On the ad cap regulation, the government has given positive signals which have been welcomed by the industry.

“The company also welcomes on board Mr. Ashish Kirpal Pandit, the new CEO of ZMCL and President, Corporate Affairs, Essel Group. With an experience of 25 years in telecom, retail and office automation, Ashish is best known for his expertise in developing operational strategies and managing P&L of businesses.”

Ashish Kirpal Pandit, CEO, ZMCL said: “I feel proud to be associated with the pioneer group in India’s broadcast industry. I look forward to further consolidating the topline and bottomline. To stay ahead of the competition, we will make our processes for both internal and external customers more robust. Our focus will be geared towards brand building and increasing reach through new launches.”

Condensed Consolidated Statement of Operations

The table below presents the condensed consolidated statement of operations for Zee Media Corporation Limited and its subsidiaries for the second quarter ended September 30, 2014.

Consolidated Financials

(Rs. Million)	2nd Quarter ended		% Growth YoY	Upto 2nd Quarter ended		% Growth YoY
	Sep-14	Sep-13		Sep-14	Sep-13	
Operating Revenue	1,311.2	830.2	57.9%	2,645.8	1,607.0	64.6%
Expenditure	1,250.0	755.4	65.5%	2,563.7	1,439.1	78.1%
EBITDA	61.2	74.8	-18.2%	82.1	167.9	-51.1%
Less: Depreciation	130.1	35.2	269.9%	254.4	74.5	241.4%
Less: Finance Expenses	125.5	24.5	413.0%	252.2	40.8	517.4%
Add: Other Income	14.3	49.6	-71.1%	23.2	97.3	-76.1%
Net Profit before Tax	(180.1)	64.7		(401.3)	149.9	

Note: Financials for last year and current year for the corresponding period are not comparable due to inclusion of our newspaper dna financials.

Consolidated Financials (Break up of Revenues)

(Rs. Million)	2nd Quarter ended		% of Total Revenues		% Growth YoY
	Sep-14	Sep-13	Sep-14	Sep-13	
Advertising Revenue	931.4	529.2	71.0%	63.7%	76.0%
Subscription Revenue	280.7	249.0	21.4%	30.0%	12.8%
Other Sales & Services	99.1	52.0	7.6%	6.3%	90.4%
Total Revenues	1,311.2	830.2	100.0%	100.0%	57.9%

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	2nd Quarter ended		% of Total Revenues		% Growth YoY
	Sep-14	Sep-13	Sep-14	Sep-13	
Cost of Goods & Operations	290.2	170.1	23.2%	22.5%	70.6%
Employee Cost	416.7	246.6	33.3%	32.6%	69.0%
Other Expenses	543.1	338.7	43.5%	44.9%	60.3%
Total Expenses	1,250.0	755.4	100.0%	100.0%	65.5%

Consolidated Financials (Break up of Revenues)

(Rs. Million)	Upto 2nd Quarter ended		% of Total Revenues		% Growth YoY
	Sep-14	Sep-13	Sep-14	Sep-13	
Advertising Revenue	1,950.6	1,058.2	73.7%	65.8%	84.3%
Subscription Revenue	530.0	459.0	20.0%	28.6%	15.5%
Other Sales & Services	165.2	89.8	6.2%	5.6%	83.8%
Total Revenues	2,645.8	1,607.0	100.0%	100.0%	64.6%

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	Upto 2nd Quarter ended		% of Total Expenditure		% Growth YoY
	Sep-14	Sep-13	Sep-14	Sep-13	
Cost of Goods & Operations	619.8	296.2	24.2%	20.6%	109.3%
Employee Cost	816.3	479.1	31.8%	33.3%	70.4%
Other Expenses	1,127.6	663.8	44.0%	46.1%	69.9%
Total Expenses	2,563.7	1,439.1	100.0%	100.0%	78.1%

Segment Results

Rs. in millions	For Q2			Upto Q2		
	Television	Print	Total	Television	Print	Total
Total Revenues	985.6	325.6	1,311.2	2,024.4	621.4	2,645.8
Total Expenses	880.5	369.5	1,250.0	1,787.2	776.5	2,563.7
EBITDA	105.1	(43.9)	61.2	237.2	(155.1)	82.1

Television Business - Existing Vs New Channels - For Q2

Television Business Rs. in millions	Q2 FY15			Q2 FY14			Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Advertisement Revenues	685.8	25.2	711.0	482.8	46.4	529.2	42.0%	-45.7%	34.4%
Subscription Revenues	246.2	-	246.2	249.0	-	249.0	-1.1%		-1.1%
Other Revenues	28.3	-	28.3	52.0	0.0	52.0	-45.6%	-100.0%	-45.6%
Total Expenses	754.1	126.5	880.6	678.4	77.0	755.4	11.2%	64.2%	16.6%
EBITDA	206.2	(101.3)	104.9	105.4	(30.6)	74.8	95.6%	230.4%	40.4%

Television Business - Existing Vs New Channels - Upto Q2

Television Business Rs. in millions	Upto Q2 FY15			Upto Q2 FY14			Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Advertisement Revenues	1,458.8	52.3	1,511.1	1,006.3	51.8	1,058.1	45.0%	0.8%	42.8%
Subscription Revenues	456.4	-	456.4	459.0	-	459.0	-0.6%		-0.6%
Other Revenues	56.8	-	56.8	89.9	-	89.9	-36.7%		-36.7%
Total Expenses	1,507.9	279.2	1,787.1	1,312.2	126.9	1,439.1	14.9%	119.9%	24.2%
EBITDA	464.1	(226.9)	237.2	243.0	(75.1)	167.9	91.0%	202.2%	41.2%

*New channels include Zee Madhya Pradesh Chhattisgarh, Zee Marudhara and Zee Kalinga

Business Highlights

- ❖ Reaching 146.7 mn viewers across India, ZMCL continues to be the largest news network riding on the strength of its 2 national, 8 regional news channels, DNA newspaper and its digital platforms – zeenews.com, dnaindia.com, Facebook, YouTube and Twitter. (Source: TAM, CS 4+, All India, ZMCL Channels, Q2 Reach; Internal subscription figures, DNA, Mumbai; Google Analytics, Facebook and Twitter)
- ❖ Zee News, our flagship channel, reached over 114.4 million viewers across the country. (Source: TAM, CS 4+, All India, Q2 Reach)

As a socially conscious media channel, Zee News executed the 5th edition of *My Earth, My Duty* (MEMD) campaign under which more than 10 lakh saplings were planted across the country by citizens from all walks of life. History was again created when more than two lakh saplings were planted within 30 minutes by Border Security Force (BSF) enabling the initiative to enter the Limca Book of Records.

- ❖ Zee Business reached 49.4 million audiences across India (Source: TAM, CS 4+, All India, Q2 Reach)

In a first-of-its-kind *Ministerial Conclave* on the channel, four ministers holding key portfolios in the current government discussed the challenges faced by Indian economy and set the agenda for future before business community. The channel also continued with its flagship initiatives of *Sensex Ka Sultan*, India's first derivatives reality show, and *Emerging Business Forum*, country's largest SME discussion forum.

- ❖ 24 Ghanta, our Bengali news offering, reached over 16.9 million viewers across India. (Source: TAM, CS 4+, All India, Q2 Reach)

More than 600 people donated blood in 12 blood donation camps organized by the channel across Kolkata. In line with Puja festivities, 24 Ghanta partnered with more than 15 pandals across Kolkata during Durga Puja and did special programming around the Puja.

- ❖ Zee 24 Taas, India's first 24-hour Marathi news channel, reached 32.9 million viewers across India. (Source: TAM, CS 4+, All India, Q2 Reach).

The channel again established itself as a leader in election coverage with a unique initiative, *Mahamukhyamantri Kon*. Focusing on the key question of who will be the next chief minister, the channel's branded vehicle went around the state with an anchor and camera team and conducted interactive sessions with the public.

- ❖ Zee Sangam, our regional channel catering to Uttar Pradesh and Uttarakhand, reached over 23.7 million viewers across India. (Source: TAM, CS 4 +, Q2, All India, Q2 Reach)

To focus on the burgeoning education sector in the state, Zee Sangam organized a summit titled *Uttar Pradesh, Destination for Education* in which the who's who of top institutes of the state participated.

- ❖ Zee Madhya Pradesh Chhattisgarh became the No. 1 choice in the region with 26.5% channel share, reaching more than 20.2 million viewers across India with relevant and engaging content. (Source: TAM, CS 4+ All India, Q2 Reach, CS 15+, MPCG ,Q2 figures)

The channel organized a talent hunt to identify the best singer in the region in a month-long campaign titled *Madhya Bharat ki Awaaz*. Over 4000 registrations were received from 5 cities in Madhya Pradesh and Chhattisgarh.

- ❖ Zee Punjab Haryana Himachal which now addresses audiences in Himachal Pradesh and Haryana besides Punjab, reached more than 13.1 million viewers (Source: TAM, CS 4+, All India, Q2 Reach)
- ❖ Zee Marudhara, which has been transformed into a full-fledged news channel, reached more than 7.2 million viewers across India. (Source: TAM, CS 4+, All India, Q2 Reach)
- ❖ Zee Kalinga, in its new avatar as a 24X7 news channel, expanded its reach to more than 3.2 million viewers across India. (Source: TAM, CS 4+, All India, Q2 Reach)
- ❖ In the second quarter of the current financial year, www.zeenews.com attracted over 29 million unique users. The visits increased by 4.5% to 66 million. The website got 132 million page views. Zeenews.com has registered four consecutive months of month-on-month growth since June 2014. The regional sections of the website also

put up a good performance with visits to Hindi, Bengali and Marathi websites growing by 85%, 26% and 10% respectively. On social media, Zee Facebook pages reached 10 million likes and Twitter followers reached approx 1.1 million.

- ❖ DNA newspaper celebrated its 9th anniversary with a special issue and the event, #dnaturns9, was trending on Twitter with 28000 tweets on one day. At least 29 celebrities from film and TV industry endorsed DNA Eco Ganesha campaign which sought to celebrate big eco ideas solicited from readers. More than 5.2 mn impressions were received for #dnaEcoGanesha on digital platform.

Corporate Development

The Board of Directors of the Company have accorded in-principle approval for raising of funds for an amount of not exceeding Rs. 200 Crores through issue of equity shares of the Company to its eligible shareholders on a rights basis in accordance with the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable laws (the “Rights Issue”).

During the quarter under review, the Scheme of Arrangement for demerger of Media Business undertaking comprising of Non-News Business of Diligent Media Corporation Limited (DMCL) (a subsidiary of the Company) vesting with Zee Entertainment Enterprises Limited (ZEEL), with effect from March 31, 2014 (Appointed Date), was approved by Hon’ble Bombay High Court vide order passed on September 12, 2014. The said Scheme became effective on September 26, 2014 and consequent to the Scheme (a) ZEEL had issued 6% Non Cumulative Non Convertible Redeemable Preference Shares of Re. 1 each fully paid up to the shareholders of DMCL, consequently 2,22,73,836 Preference Shares of ZEEL were issued to Mediavest India Private Limited (a subsidiary of the Company); and (b) an amount of Rs. 25,784.70 Lacs being the difference between assets and liabilities adjusted in the securities premium account of DMCL as per Section 52 of the Companies Act, 2013.

Channel Portfolio

National News Channels



Regional News Channels



Newspaper



Note: This earnings release contains results that are 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 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, erstwhile 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 Punjab Haryana Himachal, Zee Madhya Pradesh Chhattisgarh, Zee 24 Taas, 24 Ghanta, Zee Kalinga, Zee Sangam and Zee Marudhara. It also includes newspaper dna. More information about Zee Media Corporation Limited and its businesses is available on www.zeenews.india.com.