



ZEE NEWS LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2009

1Q FY 10 CONSOLIDATED REVENUES OF Rs. 1.4 BILLION, UP 21.9%
EBITDA OF Rs. 248 MILLION, UP 43.5%; EBITDA MARGIN AT 18%
NET PROFIT OF Rs. 119 MILLION, UP 27.8%

Highlights

- ❖ Advertising revenues were Rs 1.1 billion for the quarter ended June 30, 2009, an increase of 22.7% as compared to the corresponding period last fiscal.
- ❖ Subscription revenues were Rs 265 million for the quarter ended June 30, 2009, an increase of 25.2% as compared to the corresponding period last fiscal.
- ❖ EBITDA was Rs 248 million for the quarter ended June 30, 2009, an increase of 43.5% as compared to the corresponding period last fiscal. EBITDA margin stood at 18%. Net Profit after Tax was Rs. 119 million as against Rs. 93 million in the corresponding period last fiscal.
- ❖ All channels' viewership share of ZNL channels in the total C&S Universe grew to 4.65% in Q1 FY10 as compared to 4.48 % in the corresponding period last fiscal.
- ❖ The flagship channel, 'Zee News', once again demonstrated it being the Nation's Trusted News Channel by garnering the highest time spent per viewer during the General Elections. 'Zee Marathi' maintained its leadership position by delivering 244 average weekly GRPs during the first quarter. 'Zee Bangla' with average weekly GRPs of 276 in the first quarter, was a clear leader in the prime time and non-film GRPs.
- ❖ 'Zee Business' continued with its success story and registered an impressive channel share of 26% as compared to 14% in the first quarter of last fiscal.
- ❖ New businesses - 'Zee Telugu' has enjoyed 8% GRP growth during this quarter and has emerged as a steady No. 2 amongst Telugu GECs. 'Zee Kannada' further strengthened its position and generated average weekly GRPs of 165 during the quarter. 'Zee 24 Taas' continued gaining traction in viewership and revenue share. The newly launched 'Zee Tamil', 'Zee 24 Gantalu' and 'Zee News U.P' progressed well as per plan.

Zee News Limited

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NOIDA, India; July 23, 2009 – Zee News Limited (ZNL) (BSE: 532794, NSE: ZEENEWS) today reported first quarter fiscal 2010 consolidated revenues of Rs. 1.4 billion, representing a strong 21.9% growth over the corresponding period last fiscal. Consolidated EBITDA stood at Rs.248 million, up 43.5% over the corresponding period last fiscal and Net Profit increased by 27.8% year on year, standing at Rs. 119 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 June 30, 2009.

Mr. Subhash Chandra, Chairman, ZNL, said, "The regionalization of the Indian Media & Entertainment industry continues at an accelerated pace and in doing so, continues to redefine the rules of the industry. With television viewers in smaller towns and cities getting ever-increasing content options in their local languages, the regional news and entertainment segment shows high growth potential. Having foreseen this opportunity well in advance, Zee News Limited is best poised to benefit from this changing trend."

Commenting on the first quarter numbers, Mr. Chandra added, "We are pleased to follow up the outstanding performance of 2008-09 with an admirable start to this fiscal. In a relatively tough quarter for the overall television advertising market, Zee News Limited with its bouquet of news and regional entertainment properties, has yet again delivered commendable growth in both top and bottom-line and reiterated its growing dominance within the industry. A fast digitizing country has led to an upside on the subscription revenues and going forward we foresee exponential growth from this revenue stream as well."

"The ever-improving performance of our existing bouquet, systematic and judicious expansion and our focus on multiple revenue streams make Zee News Limited stand apart," added Mr. Chandra

Mr. Laxmi Narain Goel, Managing Director, ZNL, said, "Our well-balanced bouquet consisting of multiple driver channels has not only out-performed the industry by quite a margin, but also helped us set new benchmarks. While the visibility regarding the overall growth in television advertisement continues to be low, we at Zee News Limited have successfully leveraged innovative tailor-made solutions to comprehend the needs of the advertiser and continue with our growth story."

"On the operations front, we remained focused on delivering sensible news and compelling programming content to our viewers across the length and breadth of the country. This has resulted in the regional channels of Zee News Limited creating a strong leadership position in the Hindi speaking markets and the news channels further building on their leadership position. Our Southern channels Zee Kannada, Zee Telugu and Zee Tamil are on the path to make a significant impact going forward. Our efforts to further build on operational efficiencies have resulted in a 4.3% reduction in consolidated total expenses in the first quarter compared to the immediately preceding quarter. Our endeavor to de-leverage the balance sheet has led to a 13% reduction in interest costs sequentially" Mr. Goel added.

EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2009

Mr. Barun Das, CEO, ZNL, said, "The first quarter of this fiscal has been eventful and I am glad to see the inclusive growth recorded by ZNL. The existing businesses continued to grow and recorded a 21% growth in EBITDA, the margins improved to 41.9% from 35.2% in the corresponding period last fiscal.

Despite recent launch of Zee Tamil, Zee News Uttar Pradesh and Zee 24 Gantalu, the new business EBITDA (loss) remained flat in the first quarter compared to the corresponding period last fiscal. We have been focusing on building an effective cost control platform and increasing operational efficiencies. As a result, the first quarter EBITDA margin improved to 18% from 15.3% on a Year-on-Year basis."

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 2010 as compared to the corresponding period last fiscal.

(Rs. Million)	1st Quarter ended		% Growth YoY	Quarter ended		% Growth QoQ
	Jun-09	Jun-08		Jun-09	Mar-09	
Operating Revenue	1,374.1	1,127.5	21.9%	1,374.1	1,384.4	-0.7%
Expenditure	1,126.3	954.7	18.0%	1,126.3	1,177.5	-4.4%
EBITDA	247.8	172.8	43.5%	247.8	206.9	19.8%
Depreciation	30.6	21.0	45.8%	30.6	28.6	6.9%
Operating Profit	217.2	151.8	43.1%	217.2	178.3	21.8%
Less: Finance Expenses	77.3	3.2		77.3	89.2	-13.4%
Add: Other Income	41.2	3.0		41.2	48.5	-15.1%
Net Profit before Tax	181.1	151.6	19.5%	181.1	137.6	31.7%
Provision for Tax	62.0	60.0	3.4%	62.0	48.4	28.2%
Minority Interest	0.0	(1.6)		0.0	1.6	
Profit After Tax	119.1	93.2	27.8%	119.1	87.6	35.9%

Revenue Streams

ZNL's revenues are generated primarily from advertising sales and subscription income. The table below will enable a better understanding of the performance of the various revenue streams for the first quarter ended June 30, 2009.

(Rs. Million)	1st Quarter ended		% of Total Revenues		% Growth YoY
	Jun-09	Jun-08	Jun-09	Jun-08	
Advertising Revenues	1,090.8	889.3	79.4%	78.9%	22.7%
Subscription Revenues	265.4	212.0	19.3%	18.8%	25.2%
Other Sales & Services	17.9	26.2	1.3%	2.3%	-31.6%
Total Revenues	1,374.1	1,127.5	100.0%	100.0%	21.9%

Expenditure

ZNL's main expenses include goods and operations cost, employee cost and administrative & selling expenses. The table below sets forth the percentage of cost that each type contributed to the consolidated expenses in the 1QFY10 as compared to the corresponding period last fiscal.

(Rs. Million)	1st Quarter ended		% of Total Expenditure		% Growth YoY
	Jun-09	Jun-08	Jun-09	Jun-08	
Cost of Goods & Operations	521.4	444.3	46.3%	46.5%	17.4%
Employee Cost	196.3	165.2	17.4%	17.3%	18.8%
Other Expenses	408.5	345.2	36.3%	36.2%	18.3%
Total Expenses	1,126.2	954.7	100.0%	100.0%	18.0%

Revenue and Operating Profits

The tables below present a comparison of the performance of Existing Businesses V/s New Businesses (excluding the channel 24 Ghanta) for the first quarter ended June 30, 2009.

(Rs. Million)	1st Quarter FY 2010			1st Quarter FY 2009			% Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenue	989.0	340.9	1,329.9	972.2	123.7	1,095.9	1.7%	175.6%	21.3%
Total Expenses	574.2	509.4	1,083.6	629.7	291.3	921.0	-8.8%	74.8%	17.6%
EBITDA	414.8	(168.5)	246.3	342.5	(167.6)	174.9	21.1%		40.9%
EBITDA Margin	41.9%		18.5%	35.2%		16.0%			

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 one of India's leading media and entertainment companies. It has a unique cluster of news & current affairs and regional entertainment channels, which includes Zee News, Zee Business, Zee Marathi, Zee Bangla, Zee Punjabi, Zee 24 Taas, Zee Kannada, Zee Telugu, Zee Tamil, Zee Talkies, Zee 24 Gantalu & Zee News U.P More information about Zee News Limited and its businesses is available on www.zeenews.com.