



## ZEE NEWS LIMITED

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### EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2010

ENCOURAGING PERFORMANCE OF NEWS OPERATIONS  
CONSOLIDATED REVENUES OF Rs. 648.5 MILLION  
EBITDA OF Rs. 81 MILLION, EBITDA MARGIN AT 12.5%  
NET PROFIT BEFORE TAX OF Rs. 55 MILLION

REGIONAL ENTERTAINMENT CHANNELS DEMERGED W.E.F JANUARY 2010

#### Highlights

- ❖ Pursuant to receipt of all statutory and regulatory approvals including approval of the Hon'ble High Court of Bombay, scheme of de-merger of the Regional General Entertainment Channels (R-GEC) Business Undertaking has become effective on March 29, 2010, from the appointed date January 1 2010. Previous year numbers are hence not comparable.
- ❖ Zee News Limited (ZNL) reported encouraging numbers; Rs. 81 millions EBITDA despite the losses of recently launched Zee Tamizh, Zee News Uttar Pradesh & Zee 24 Ghantalu.
- ❖ Existing businesses comprising of Zee News, Zee Business, Zee 24 Taas, Zee Punjabi and 24 Ghanta has reported an EBITDA of 208.3 million with 34% margin.
- ❖ Advertisement sales growth is 14.5% despite the fact that last year this quarter's revenues was boosted by the general elections.
- ❖ Zee News' sensible and respectable news content continues to gain viewers' respect resulting in its gain in share.
- ❖ Zee Business continues with its high share of viewership backed by its supremacy during the stock market band amongst all the Business channels.
- ❖ Zee News UP has shown unprecedented growth and is now an established leader.
- ❖ Zee 24 Ghantalu has established its credentials as a serious news channel in a cluttered news market and gained significant momentum in its viewership share.
- ❖ 24 Ghanta continues with its undisputed leadership amongst the Bengali news channels, while Zee 24 Taas is a front runner in Mumbai market.

**NOIDA, India; July 22, 2010** - Zee News Limited (ZNL) (BSE: 532794, NSE: ZEENEWS) today reported first quarter fiscal 2011 consolidated revenues of Rs. 648.5 million. Consolidated EBITDA stood at Rs.

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81.2 million and Net Profit before tax is standing at Rs. 55.3 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, 2010.

Mr. Subhash Chandra, Chairman, ZNL, said, *“Continuing its sound performance in FY 09-10, ZNL has started FY 10-11 with a great zeal. Immediately after de-merger the company’s aim was to consolidate its existing operations. Our focus on innovation, efficiency enhancement, and further rationalization of cost has enhanced our competitive advantage and has resulted in such encouraging performance.”*

Commenting on the first quarter numbers, Mr. Chandra added, *“ZNL has out-performed the industry in Q1 of FY 2010-11. The advertising revenue of the company grew by 14.5%, which is quite creditable given the fact that last year during the same period news genre enjoyed an unprecedented revenue growth owing to general elections of the Country. Aggressive business strategy, coupled with operational efficiency has enabled us achieve a 12.5% EBITDA margin for the Company despite the losses accruing from the 3 newly launched channels. In a cluttered television news market where profitability is a prerogative of only a select few, ZNL’s performance certainly stands apart.”*

Mr. Punit Goenka, Managing Director, ZNL, said, *“The first quarter of current fiscal has been a great start, and is heartening to know most of the channels increased their viewership share compared to last fiscal. The performance of newly launched Zee News UP and Zee 24 Ghantalu has been extremely encouraging. Our revenue growth has been fueled both by advertisement and subscription revenue. We continue to focus on current deliverables and our 12.5% EBITDA margin, including losses of 3 new channels, bears testimony of our operational expertise and edge. It gives us confidence to judiciously explore expansion opportunities, as we are on course with our endeavor of consolidating our news operations.”*

Mr. Barun Das, CEO, ZNL, said, *“our “existing business” has set a new benchmark in the industry by achieving a 34% of EBITDA margin. Once again it has been an all round performance contributed by all the channels at the national and regional level. It is extremely encouraging for us to see that our focus on sensible news for Zee News has earned viewer’s respect, which resulted in increased in its viewership share. The viewership performances of newly launched Zee News UP and Zee 24 Ghantalu have been encouraging and we are confident to meet the breakeven targets that we set for ourselves. The overall sentiment for the economy as a whole and advertng industry in particular, is quite positive. Therefore we are quite optimistic about our performance going forward.”*

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**Condensed Consolidated Statement of Operations**

The table below presents the condensed statement of operations for Zee News Limited on consolidated basis for Q1 FY 2011 versus Q1 FY 2010, as published. The Q1 FY 2011 numbers do not include the performance of regional entertainment channels- Zee Marathi, Zee Bangla, Zee Talkies, Zee Telugu, Zee Kannada and Zee Gujarati, which have now been demerged from ZNL and merged into Zee Entertainment Enterprises Limited (ZEEL). Hence the numbers are not comparable.

(Rs. Million)	1 <sup>st</sup> Quarter ended	
	Jun-10	Jun-09
Operating Revenue	648.5	1,374.1
Expenditure	567.3	1,126.3
EBITDA	81.2	247.8
Depreciation	27.1	30.6
Less: Finance Expenses	31.2	77.3
Add: Other Income	32.4	41.2
<b>Net Profit before Tax</b>	<b>55.3</b>	<b>181.1</b>
Provision for Tax	11.8	62.0
Minority Interest	10.5	0.0
<b>Profit After Tax</b>	<b>33.0</b>	<b>119.1</b>

\* Previous year numbers are not comparable.

**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, 2010.

(Rs. Million)	1st Quarter ended		% of Total Revenues	
	Jun-10	Jun-09	Jun-10	Jun-09
Advertising Revenues	452.2	1,090.8	69.7%	79.4%
Subscription Revenues	180.3	265.4	27.8%	19.3%
Other Sales & Services	16.0	17.9	2.5%	1.3%
<b>Total Revenues</b>	<b>648.5</b>	<b>1,374.1</b>	<b>100.0%</b>	<b>100.0%</b>

\* Previous year numbers are not comparable.

## EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2010

### 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 1QFY11 as compared to the corresponding period last fiscal.

(Rs. Million)	1st Quarter ended		% of Total Expenditure	
	Jun-10	Jun-09	Jun-10	Jun-09
Cost of Goods & Operations	127.8	521.4	22.5%	46.3%
Employee Cost	165.6	196.3	29.2%	17.4%
Other Expenses	273.9	408.5	48.3%	36.3%
<b>Total Expenses</b>	<b>567.3</b>	<b>1,126.2</b>	<b>100.0%</b>	<b>100.0%</b>

\* Previous year numbers are not comparable.

### Revenue and Operating Profits

The tables below present a comparison of the performance of Existing Businesses V/s New Businesses for the first quarter ended June 30, 2010.

This year Company's existing business contains Zee News, Zee Business, Zee 24 Taas, Zee Punjabi and 24 Ghanta and New businesses contains Zee Tamizh, Zee 24 Ghantalu and Zee News UP.

(Rs. Million)	1st Quarter FY 2011			1st Quarter FY 2010		
	Existing	New	Total	Existing	New	Total
Total Revenue	613.8	34.7	648.5	1033.2	340.9	1374.1
Total Expenses	405.5	161.8	567.3	616.9	509.4	1126.3
EBITDA	208.3	(127.1)	81.2	416.3	(168.5)	247.8
EBITDA Margin	33.9%		12.5%	40.3%		18.0%

\* Previous year numbers are not comparable. The grouping of "existing" and "new" for FY 2010 was different.

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.



## **EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2010**

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.

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**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 language channels, which includes Zee News, Zee Business, Zee Punjabi, Zee 24 Taas, Zee Tamizh, Zee 24 Gantalu & Zee News U.P More information about Zee News Limited and its businesses is available on [www.zeenews.com](http://www.zeenews.com).