



ZEE NEWS LIMITED

EARNINGS RELEASE FOR THE THIRD QUARTER ENDED DECEMBER 31, 2011

**EBITDA OF INR 192.7 MILLION WITH YOY GROWTH OF 43.2% WITH A MARGIN OF
24.6%, UP FROM 18.1% LAST YEAR**

NET PROFIT BEFORE TAX OF INR 162.4 MILLION WITH YOY GROWTH OF 56.8%

CONSOLIDATED REVENUES OF INR 782.7 MILLION A YOY GROWTH OF 5.1%

Operating Highlights

- ❖ Despite slowdown in the economy, Zee News Limited has posted a strong EBITDA margin of 24.6% up from 18.1% margin last year signifying strong operational performance by the company. EBITDA stood at Rs. 192.7 mn for the quarter with a YoY growth of 43.2%.
- ❖ The overall revenues increased by 5.1% to Rs. 782.7 mn. This includes a onetime Rs. 17.9 mn transaction of sale of Tamil programs and film rights to ZEEL.
- ❖ Subscription revenues for the quarter were Rs. 192.7 mn with a growth of 3.7%. The real growth in the revenues was higher as they were booked net of expenses. This change was necessitated due to the formation of Media Pro, 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.
- ❖ Due to overall slowdown as well as the effect of festival season overlapping with previous quarter, the Advertising revenues have degrown slightly by 4.2% at Rs. 518.8 mn for the quarter ended December 31, 2011.
- ❖ The existing news channels Zee News, Zee Business, Zee 24 Taas, Zee Punjabi & 24 Ghanta reported a growth of 8.8% in revenues at Rs. 751.3 mn and a growth of 10.9% in EBITDA at Rs. 249.8 mn. The EBITDA margins for the existing channels continue to be noteworthy at 33.3% up from 32.6% on a YoY basis.

- ❖ New business EBITDA losses have come down to Rs. 57.1 mn from the loss of Rs. 90.7 mn in the same period the last year due to discontinuance of Zee Tamil.

Mumbai, India; January 17, 2012 – Zee News Limited (ZNL) (BSE: 532794, NSE: ZEENEWS) today reported third quarter fiscal 2012 consolidated revenues of Rs. 782.7 million. Consolidated EBITDA stood at Rs. 192.7 million with strong EBITDA margins of 24.6% up from 18.1% in the last year.

Net Profit before tax stood at Rs. 162.4 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 December 31, 2011.

Mr. Subhash Chandra, Chairman, ZNL, said, “The Indian economy has been facing headwinds of increased inflation, interest rate hikes and bearish markets forcing the GDP growth forecast to pare down to 7% or so. My faith in the Indian economy for the long term remains intact. While there are as many views of impending slowdown in the economy as there are of bounce back, I remain cautiously optimistic in the short run that the situation is likely to improve in the next few quarters. The Company continues with its focus on innovative growth and I have full confidence that we will be able to come out stronger than most in the current year, in line with the trend of our past performances.”

He added, “As has been pending for a few years, the media industry has begun to consolidate. This is obvious from the various deals being announced over the past few months. We see this consolidation as a confident step forward towards making this industry more profitable.”

Mr. Punit Goenka, Managing Director, ZNL, said, “While the investment related policy decisions have been under pressure due to current political environment, Parliament’s clearing of cable digitization signals the establishment’s commitment to make the media industry more efficient. The ad industry, meanwhile, has been hit as the advertisers have increasingly become choosy about their spends. The euphoria of a sustained industry growth which was prevalent at the beginning of the year has been dampened considerably. However, ZNL has shown exceptional operational efficiencies and posted strong financial results for the quarter. Going forward, we hope to maintain the edge in our performance.”

Mr. Barun Das, CEO, ZNL, said, “We had sensed the slowdown in the industry by the beginning of the last quarter and made adjustments in our operations accordingly. Our top lines and strict vigil on our costs has resulted in our margins being strong at 24.6% despite slowdown, which is likely to be an exception. With the Media Pro initiative settling down, our subscription revenue has shown growth towards the end of the quarter and it is a trend that is

likely to continue. We remain confident regarding our ability to grow in the current financial year.”

Condensed Consolidated Statement of Operations

The table below presents the condensed consolidated statement of operations for Zee News Limited and its subsidiary for the second quarter FY 2012.

Consolidated Financials

(Rs. Million)	3rd Quarter ended		% Growth YoY	Upto 3rd Quarter ended		% Growth YoY
	Dec-11	Dec-10		Dec-11	Dec-10	
Operating Revenue	782.7	744.4	5.1%	2,210.6	2,008.8	10.0%
Expenditure	590.0	609.9	-3.3%	1,856.2	1,722.8	7.7%
EBIDTA	192.7	134.5	43.2%	354.4	286.0	23.9%
Less: Depreciation	28.1	26.7	5.2%	81.2	77.6	4.6%
Less: Finance Expenses	2.2	27.9	-92.2%	6.8	96.8	-93.0%
Add: Other Income	0.0	23.7	-100.0%	6.2	79.5	-92.1%
Net Profit before Tax	162.4	103.6	56.8%	272.6	191.1	42.7%

Consolidated Financials (Break up of Revenues)

(Rs. Million)	3rd Quarter ended		% of Total Revenues		% Growth YoY
	Dec-11	Dec-10	Dec-11	Dec-10	
Advertising Revenue	518.8	541.7	66.3%	72.8%	-4.2%
Subscription Revenue*	192.7	185.9	24.6%	25.0%	3.7%
Other Sales & Services**	71.2	16.8	9.1%	2.3%	323.8%
Total Revenues	782.7	744.4	100.0%	100.0%	5.1%

*Operating revenues and expenditure for Q3 FY2012 are not comparable to those for Q3 FY2011 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 formation of Media Pro, a joint venture, which pays subscription revenues to ZEE net of expenses.

** Subsequent to Zee Tamil discontinuance, the company has transferred part of inventory of programs and films related to Zee Tamil to ZEEL of Rs. 17.9 mn. Accordingly, Other Sales & Services as well as Cost of Goods & Operations are higher by this amount for the quarter and by Rs. 142.1 mn up to the quarter.

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	3rd Quarter ended		% of Total Expenditure		% Growth YoY
	Dec-11	Dec-10	Dec-11	Dec-10	
Cost of Goods & Operations	146.2	140.3	24.8%	23.0%	4.1%
Employee Cost	187.8	181.7	31.8%	29.8%	3.4%
Other Expenses	256.0	287.9	43.4%	47.2%	-11.1%
Total Expenses	590.0	609.9	100.0%	100.0%	-3.3%

Consolidated Financials (Break up of Revenues)

(Rs. Million)	Upto 3rd Quarter ended		% of Total Revenues		% Growth YoY
	Dec-11	Dec-10	Dec-11	Dec-10	
Advertising Revenue	1,441.7	1,401.2	65.2%	69.8%	2.9%
Subscription Revenue	534.4	560.3	24.2%	27.9%	-4.6%
Other Sales & Services	234.5	47.3	10.6%	2.4%	395.6%
Total Revenues	2,210.6	2,008.8	100.0%	100.0%	10.0%

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	Upto 3rd Quarter ended		% of Total Expenditure		% Growth YoY
	Dec-11	Dec-10	Dec-11	Dec-10	
Cost of Goods & Operations	498.6	423.2	26.9%	24.6%	17.8%
Employee Cost	568.4	518.4	30.6%	30.1%	9.6%
Other Expenses	789.2	781.2	42.5%	45.3%	1.0%
Total Expenses	1,856.2	1,722.8	100.0%	100.0%	7.7%

Consolidated Financials

(Rs. Million)	3rd Quarter FY 2011			3rd Quarter FY 2010			Growth		
	Existing***	New***	Total	Existing	New	Total	Existing	New	Total
Total Revenue	751.3	31.4	782.7	690.8	53.6	744.4	8.8%	-41.5%	5.1%
Total Expenses	501.5	88.5	590.0	465.6	144.3	609.9	7.7%	-38.7%	-3.3%
EBITDA	249.8	(57.1)	192.7	225.2	(90.7)	134.5	10.9%	62.9%	43.2%
EBITDA Margins	33.3%	-181.8%	24.6%	32.6%	169.1%	18.1%			

Consolidated Financials

(Rs. Million)	Upto 3rd Quarter FY 2011			Upto 3rd Quarter FY 2010			Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenue	2,120.0	90.6	2,210.6	1,883.0	125.8	2,008.8	12.6%	-28.0%	10.0%
Total Expenses	1,585.2	271.0	1,856.2	1,262.8	460.0	1,722.8	25.5%	-41.1%	7.7%
EBITDA	534.8	(180.4)	354.4	620.2	(334.2)	286.0	-13.8%	54.0%	23.9%
EBITDA Margins	25.2%	-199.2%	16.0%	32.9%	265.7%	14.2%			

*** 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

- ❖ The flagship channel Zee News' continued emphasis on respecting the intellect of the viewer by providing the maximum amount of core news and coverage resulted in it becoming the leader with 16.8% market share in news content. (Source: TAM, Week 41-53, News Content Share, TG: CS 15+, HSM). With such an encouraging performance, we continue to be committed to providing sensible news to our viewers.

Zee News had an exciting quarter with various ground events and properties being executed. During the flagship event, Ananya Samman, martyrs were honoured on the occasion of the 10th anniversary of the Parliament attack. Branching out the Samman concept, the second edition of *Swasth Bharat Samman* was held. Zee News also partnered with its sister concern Zee Learn for Future of Education summit. The summit had distinguished guests from India and abroad to discuss key issues that ail our education system and the proposed solutions for the same.

- ❖ Zee Business continued with its focus on the retail investors and small and medium scale enterprises with its programming and on-ground initiatives. The channel was No. 2 in reach for the quarter. (Source: TAM, Week 41-53, TG: CS 15+, HSM).

Then channel was lauded for its smart marketing approach by viewers. It executed seasoned properties like Hunt for India's Smart Investor, a show aiming to foster the need for financial planning through a unique and engaging reality show format inducing a lot of consumer participation; Emerging Business Forum, a series for SMEs to gain from newer business opportunities, and Real Estate Investors Forum.

- ❖ 24 Ghanta regained the no. 1 position in West Bengal in terms of Relative Share with the channel garnering 29.5% in the core TG. (Source: TAM, Week 41-53, TG: CS 25+ M AB, WB).

A comprehensive and much appreciated Pujo coverage culminated in a standout event '*Dashabhuj*,' wherein the women participants were judged on a multitude of skills. The channel is carrying out a massive social campaign called '*Sankalpa*'. In this campaign, the channel and the viewers have pledged to create awareness about various issues like disappearing tigers and water bodies to salinity of the Ganges to increasing pollution. It has received tremendous support from the viewers.

- ❖ Zee 24 Taas increased its popularity further in Mumbai as well as Maharashtra climbing to become a strong No. 2 with 32.5% channel share in Maharashtra. (Source: TAM, Week 41-53, CS 15+, Mah).

The channel became the first Marathi News channel to take up the Guest Editor concept on a regular basis and it had eminent personalities coming on air with their views on social, economic and political aspects of the life of a Maharashtrian. The

channel also executed one of its oldest properties *Aapla Shahar Aapla Awaaz*. This is an initiative to connect with various cities in Maharashtra to discuss issues plaguing the city and the solutions for the same.

- ❖ Among the newly launched news channels, Zee News UP/Uttarakhand continued to be the No. 1 channel in the current political hotspot. The channel had a Relative Share of 32.7%. (Source: TAM, Week 41-53, TG: CS 15+, UP).

Taking the *Samman* series forward, the channel had *Udyami Samman*, an event honouring the key contributors to the industrial development in UP and Uttarakhand states.

- ❖ Zee 24 Gantalu, as the only politically non-aligned channel in AP, continued its efforts to present unbiased views to the discerning Telugu viewer.
- ❖ After the switch-on in Punjab, Zee Punjabi held on ground events like '*Anhad Samman*' wherein it honoured the unsung contributors to the society and '*Suraan Di Saanjh*' commemorating the 12th anniversary of one of the longest running regional channels in the country.

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.