

EARNINGS RELEASE FOR THE THIRD QUARTER ENDED DECEMBER 31, 2015

**OPERATING REVENUE FOR Q3 OF FY16 GREW BY 3.3% TO ₹ 1,444.6 MN
FROM ₹ 1,398.7 MN IN Q3 OF FY15**

**EBITDA GREW BY 24.9% TO ₹ 209.7 MN IN Q3 OF FY16
FROM ₹ 167.9 MN IN Q3 OF FY15**

Operating Highlights

- ❖ Operating revenues for Q3 of FY16 stood at ₹ 1,444.6 mn, a growth of 3.3% over corresponding quarter of FY15
- ❖ EBITDA for Q3 of FY16 stood at ₹ 209.7 mn, a growth of 24.9% over Q3 of FY15. EBITDA for nine months ended December 2015 increased significantly by 69.8% to ₹ 424.5 mn from ₹ 250.0 mn for the corresponding period last financial year
- ❖ Expenditure for nine months ended December 2015 reduced by 4.0% over the corresponding period last financial year

Mumbai, India; January 21, 2016 – Zee Media Corporation Limited (ZMCL) (BSE: 532794, NSE: ZEEMEDIA), today reported consolidated revenues of ₹ 1,444.6 mn for third quarter of fiscal 2016. The Network incurred Operating Expenditure of ₹ 1,234.9 mn in the third quarter. The Board of Directors, in its meeting held today, approved and took on record the standalone and consolidated financial results of ZMCL for the third quarter and nine months period ended December 31, 2015.

Dr Bhaskar Das, Group CEO, News Cluster, said: “Buoyed by a strong domestic demand and a likely uptick in industrial production, India is expected to be the fastest growing major economy in 2016, outshining China for the second consecutive year. With the country emerging as a star performer, media and entertainment industry is also hopeful of riding the growth wave. A double-digit upward swing in ad spends, as per early estimates this year, bodes well for ZMCL, especially when the corporation is charting a clutter bursting path to set itself apart from the commoditized content ecosystem. Our path breaking content propositions, which are finding expression in our evolved programming across channels, are bound to create an unmatched viewer vibrancy that will surely interest the ad vibrant sectors. At ZMCL, we have been quick to adapt to current global trends and

tap newer and disruptive opportunities of growth anytime anywhere. A step in this direction is our focus on native communication that has helped us defy industry gravity and diversify our revenue risk. I am hopeful that we will continue to find new avenues of growth and sustain the competitive advantage that we have built over years.”

Rajendra Kumar Arora, COO, said: “ZMCL is an industry pioneer having perfected the art of driving operational efficiencies. It has been our constant endeavor to define and follow processes. As the industry slowly realizes the relevance of technology in driving down costs, we at ZMCL have been at the forefront of using cutting-edge technology as an enabler in optimizing expenditure. While we are innovatively experimenting with content and investing in it to generate impact, we are confident of maintaining a robust bottomline as we go ahead. The fact that we have been able to garner more eyeballs will, in near future, also provide an impetus to topline. Our improved EBITDA margins point to synergy in operations.”

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 third quarter ended December 31, 2015.

Consolidated Financials

(Rs. Million)	3rd Quarter ended		% Growth YoY	Upto 3rd Quarter ended		% Growth YoY
	Dec-15	Dec-14		Dec-15	Dec-14	
Operating Revenue	1,444.6	1,398.7	3.3%	4,067.6	4,044.5	0.6%
Expenditure	1,234.9	1,230.8	0.3%	3,643.1	3,794.5	-4.0%
EBITDA	209.7	167.9	24.9%	424.5	250.0	69.8%
Less: Depreciation	114.1	120.3	-5.1%	369.6	374.7	-1.4%
Less: Finance Expenses	102.1	133.8	-23.7%	334.4	386.0	-13.3%
Add: Other Income	22.4	3.1	634.8%	62.9	26.3	139.4%
Net Profit before Tax	15.9	(83.1)		(216.6)	(484.4)	

Consolidated Financials (Break up of Revenues)

(Rs. Million)	3rd Quarter ended		% of Total Revenues		% Growth YoY
	Dec-15	Dec-14	Dec-15	Dec-14	
Advertising Revenue	1,034.6	1,001.3	71.6%	71.6%	3.3%
Subscription Revenue	306.4	303.3	21.2%	21.7%	1.0%
Other Sales & Services	103.6	94.1	7.2%	6.7%	10.1%
Total Revenues	1,444.6	1,398.7	100.0%	100.0%	3.3%

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	3rd Quarter ended		% of Total Revenues		% Growth YoY
	Dec-15	Dec-14	Dec-15	Dec-14	
Cost of Goods & Operations	325.0	352.9	26.3%	28.7%	-7.9%
Employee Cost	381.5	397.6	30.9%	32.3%	-4.1%
Other Expenses	528.4	480.3	42.8%	39.0%	10.0%
Total Expenses	1,234.9	1,230.8	100.0%	100.0%	0.3%

Consolidated Financials (Break up of Revenues)

(Rs. Million)	Upto 3rd Quarter ended		% of Total Revenues		% Growth YoY
	Dec-15	Dec-14	Dec-15	Dec-14	
Advertising Revenue	2,909.0	2,951.9	71.5%	73.0%	-1.5%
Subscription Revenue	865.5	833.3	21.3%	20.6%	3.9%
Other Sales & Services	293.1	259.3	7.2%	6.4%	13.0%
Total Revenues	4,067.6	4,044.5	100.0%	100.0%	0.6%

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	Upto 3rd Quarter ended		% of Total Expenditure		% Growth YoY
	Dec-15	Dec-14	Dec-15	Dec-14	
Cost of Goods & Operations	978.0	1,170.7	26.8%	30.8%	-16.5%
Employee Cost	1,188.6	1,213.2	32.7%	32.0%	-2.0%
Other Expenses	1,476.5	1,410.6	40.5%	37.2%	4.7%
Total Expenses	3,643.1	3,794.5	100.0%	100.0%	-4.0%

Segment Results - For Q3

Rs. in millions	For Q3 FY16			For Q3 FY15		
	Television	Print	Total	Television	Print	Total
Total Revenues	1,164.2	280.4	1,444.6	1,093.2	305.5	1,398.7
Total Expenses	964.3	270.6	1,234.9	892.4	338.4	1,230.8
EBITDA	199.9	9.8	209.7	200.8	(32.9)	167.9

Segment Results - Upto Q3

Rs. in millions	Upto Q3 FY16			Upto Q3 FY15		
	Television	Print	Total	Television	Print	Total
Total Revenues	3,253.6	814.1	4,067.6	3,117.6	927.0	4,044.5
Total Expenses	2,770.3	872.8	3,643.1	2,679.6	1,114.9	3,794.5
EBITDA	483.2	(58.7)	424.5	438.0	(188.0)	250.0

Television Business - Existing Vs New Channels - For Q3

Television Business Rs. in millions	For Q3 FY16			For Q3 FY15			Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Advertisement Revenues	776.2	76.1	852.3	759.5	33.3	792.8	2.2%	128.4%	7.5%
Subscription Revenues	278.9	-	278.9	271.2	-	271.2	2.8%		2.8%
Other Revenues	33.0	-	33.0	29.2	-	29.2	13.1%		13.1%
Total Expenses	826.2	138.1	964.3	782.7	109.8	892.5	5.6%	25.8%	8.0%
EBITDA	261.9	(62.0)	199.9	277.2	(76.5)	200.7	-5.5%	-18.9%	-0.4%

Television Business - Existing Vs New Channels - Upto Q3

Television Business Rs. in millions	Upto Q3 FY16			Upto Q3 FY15			Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Advertisement Revenues	2,175.9	199.5	2,375.4	2,218.3	85.6	2,303.9	-1.9%	133.1%	3.1%
Subscription Revenues	781.7	-	781.7	727.6	-	727.6	7.4%		7.4%
Other Revenues	96.4	0.0	96.4	86.1	-	86.1	12.0%		12.0%
Total Expenses	2,359.2	411.1	2,770.3	2,290.6	389.0	2,679.6	3.0%	5.7%	3.4%
EBITDA	694.8	(211.6)	483.2	741.4	(303.4)	438.0	-6.3%	-30.3%	10.3%

*New Business includes Zee MPCG, Zee Rajasthan News, Zee Kalinga News, and Maurya TV

Effective April 01, 2015, the Company has changed its method of accounting for expenditure incurred on development of new television channels till the time they are ready for commercial launch as Intangible Assets, as permitted under AS 26, instead of charging it to the Statement of Profit and Loss. Accordingly, development expenditure of ₹ 82.9 lacs has been capitalized. Had the Company continued to use the earlier method of accounting, the Profit after tax for the current quarter / period in standalone financial results would have been lower by ₹ 54.2 lacs, whereas in consolidated financial results loss after tax would have been higher to that extent.

Business Highlights

- ❖ The 10 news channels of ZMCL comprising 3 national and 7 regional channels reached more than 254 million viewers, emerging as the largest TV news network in the country. Its newspaper, dna, continued to reach a sizeable section of population in Mumbai. (Source: BARC, NCCS 4+, All India, ZMCL Channels, Nov-Dec 2015, Average Monthly Reach; October Figures excluded due to non-availability of rural data for full month)

During Q3, Zee News, the network's flagship channel, continued to empower the viewers with news they can use. The channel provided extensive and insightful coverage on the important events in India and globally. Its meaningful and engaging content ensured that the pioneering channel clocked the highest average time spent in Hindi news genre. (Source: BARC, NCCS 15+, HSM, Wk 41-52 2015, Average Weekly ATS)

- ❖ Zee News, the network's National news channel, reached over 115.6 million viewers across the country. (Source: BARC, NCCS 4+, All India, Nov-Dec 2015, Average Monthly Reach)

Continuing with its annual initiative to recognize doctors and hospitals doing outstanding work in various fields of medical specialization, the channel organized *Swastha Bharat Samman* with *Healthy India* as the theme and awards across 11 categories. In the run up to the awards, the channel ran a special two-month long campaign on healthcare issues in the country.

- ❖ Zee Business maintained its prominence in the Business News genre and reached 28.5 million viewers. (Source: BARC, NCCS 4+, All India, Nov-Dec 2015, Average Monthly Reach)

Continuing with its endeavor to empower SMEs and MSMEs in the country and to aid them in their entrepreneurial journey, the channel organized panel discussions in the form of Grand Finale of 5th edition of *Emerging Business Forum* and city rounds of 2nd edition of *SME Growth Series*. The channel also launched the 3rd edition of *Sensex ka Sultan*, India's first derivatives trading reality show, and conducted rounds in seven cities.

- ❖ 24 Ghanta, our Bengali news offering, reached over 25 million viewers. (Source: BARC, NCCS 4+, All India, Nov-Dec 2015, Average Monthly Reach)

- ❖ Zee 24 Taas, India's first 24-hour Marathi news channel, reached 27.3 million audiences across India. (Source: BARC, NCCS 4+, All India, Nov-Dec 2015, Average Monthly Reach)

To create awareness among children about air and noise pollution caused by firecrackers, the channel organized *Mission Diwali*, a campaign on noise free Diwali, in 250 schools where more than one lakh students took the pledge not to burst crackers.

The channel organized *Aapla Shahar Aapla Awaaz* in Nagpur, Akola, and Amravati to provide a platform to citizens to raise their civic issues with local representatives and administration.

- ❖ India 24x7, formerly Zee Sangam, was restaged as a National Hindi News Channel on 24th October 2015. It immediately established itself in the genre with 6.2%* share and a reach of 98.7[#] mn. (Source: *BARC, NCCS 15+, All India, Week 41 – 52 2015, Average Weekly Share based on GRATs; #BARC, NCCS 4+, All India, Nov-Dec 2015, Average Monthly Reach)

- ❖ Zee Madhya Pradesh Chhattisgarh continues to be the most preferred channel in the region through its relevant and engaging content with a 48.4% share. (Source: BARC, NCCS 15+, MP/CG market, Week 41 – 52 2015, Average Weekly Share based on GRATs)

On the occasion of completion of 15 years of formation of the state and to analyze the progress made during this period, the channel organized *Chhattisgarh ke 15 Saal ka Safar* with Chief Minister Dr Raman Singh.

Continuing with its tradition of promoting the state's talent, the channel organized the 2nd edition of *Aawaz of Madhya Pradesh*, a singing talent hunt competition, which received participation from more than 7,000 people.

- ❖ Zee Punjab Haryana Himachal, addressing audiences across Himachal Pradesh and Haryana besides Punjab, remained the dominant player in the region with 59.4% market share. (Source: BARC, NCCS 15+, Punjab Haryana Himachal Pradesh Market, Week 45 – 52 2015, Average Weekly Share based on GRATs)

To analyze and evaluate the performance of the Government of Haryana during the first year of service and to gain an insight into the future plans, the channel organized an open forum *Bemisaal Haryana* with Chief Minister Manohar Lal Khattar and key cabinet ministers.

- ❖ Zee Marudhara was renamed Zee Rajasthan News to position it as an exclusive news channel in the region. The channel reached more than 11.8 million viewers (Source: BARC, NCCS 4+, All India, Nov-Dec 2015, Average Monthly Reach)

With an aim to identify and showcase Jaipur's best restaurants under one roof and to recognize culinary professionals for excellence and achievement in their fields, the channel organized the *Hospitality and Food Awards 2015*.

The channel organized *Police Awards 2015* to honor the most respected and distinguished police personnel of Rajasthan for their exemplary services in maintaining a healthy law and order situation in the state.

- ❖ Zee Kalinga, our 24X7 news channel for Odisha, was renamed as Zee Kalinga News to exclusively position it as news channel. The channel reached more than 8.7 million viewers. (Source: BARC, NCCS 4+, All India, Nov-Dec 2015, Average Monthly Reach)

- ❖ Maurya TV, our regional channel targeting Bihar and Jharkhand, reached more than 5.6 million viewers. (Source: BARC, NCCS 4+, All India, Nov-Dec 2015, Average Monthly Reach)

Continuing with its tradition of being the first one to bring the most important coverage to its viewers, the channel aired the first ever TV interview of Deputy Chief Minister of Bihar, Tejaswi Yadav.

- ❖ dna, our English daily, reinvigorated the college-level quizzing in Mumbai with *Quiz Wiz*, an undergraduate level inter-college competition, which received participation from more than 60 colleges across the city.

Keeping in view the increasing incidents of fires in the city, the newspaper, in association with Zee 24 Taas, organized *Fire Safe Mumbai – An International Conclave*, with the objective of creating awareness among all stakeholders about prevention of fires and mitigation of their adverse effects.

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, 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, India 24x7, Zee Punjab Haryana Himachal, Zee Madhya Pradesh Chhattisgarh, Zee 24 Taas, 24 Ghanta, Zee Kalinga News, Maurya TV and Zee Rajasthan News. It also includes newspaper dna. More information about Zee Media Corporation Limited and its businesses are available on www.zeenews.india.com.