



ZEE NEWS LIMITED

EARNINGS RELEASE FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2010

ADVERTISING REVENUES OF INR 407.2 MILLION
SUBSCRIPTION REVENUES OF INR 194.1 MILLION
CONSOLIDATED REVENUES OF INR 615.9 MILLION
EBITDA OF INR 70.2 MILLION

Highlights

- ❖ Advertising revenue showed a growth of 16.3% on YoY basis and stood at Rs 407.2 million for the quarter ended September 30, 2010.
- ❖ Subscription Revenue for the quarter was Rs.194.1 mn which constituted 31.5% of the total revenue.
- ❖ The existing news channels Zee News, Zee Business, Zee 24 Taas, Zee Punjabi & 24 Ghanta reported EBDITA of Rs. 186.7 million with EBITDA margin of 32.3%.
- ❖ EBITDA for the second quarter overall stood at Rs 70.2 million despite the losses incurred by the newly launched channels.
- ❖ Zee Business channel continues to lead in viewership during the most crucial stock market band.
- ❖ New channel performances have been as per the business plan and would break even as per the schedule.
 - Zee 24 Gantalu has been improving upon its viewership position and is now 3rd r terms of Time Spent Per Viewer in Primetime in the crowded Andhra Pradesh news market.
 - Zee News UP channel was a front runner in the Uttar Pradesh news market in terms of reach, time spent and share.
- ❖ 24 Ghanta was No. 1 in Q2 in the West Bengal news market both in terms of time spent per viewer and relative share.

NOIDA, India; October 27, 2010 - - Zee News Limited (ZNL) (BSE: 532794, NSE: ZEENEWS) today reported second quarter fiscal 2011 consolidated revenues of Rs. 615.9 million. Consolidated EBITDA

stood at Rs. 70.2 million.

Net Profit before tax stood at Rs. 32.1 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 September 30, 2010.

Mr. Subhash Chandra, Chairman, ZNL, said, "I am satisfied with the encouraging performance of ZNL. The company has utilized the last two quarters to consolidate its position post demerger, and is poised to expand from here. The balance sheet looks sanguinely healthy and advertising & subscription revenues have continued to grow.

He added, "What is particularly heartening is that the company has managed to show robust growth at a time when most players in the industry have been facing degrowth. The results clearly demonstrate that our overall vision, creativity, and pragmatic approach are working in an industry, which is known for cut throat competition."

Mr. Punit Goenka, Managing Director, ZNL, said, "Zee News Limited has shown creditable growth, and this instills in us the confidence to execute our future plans on a war footing. Our optimism is shared by the viewers of our bouquet of channels, who have given us thumbs up if we consider the rapid increase in our subscription base and revenue. I am reasonably sure that this growth momentum will help us to augment our businesses in the future as well; and besides profits, we will continue to garner appreciation and goodwill of our audiences."

Mr. Barun Das, CEO, ZNL, said, "Our performance in the second quarter of this fiscal is commendable and reflects all round growth. All our existing channels continued to perform, while both the newly launched new channels are on path to meet their respective breakeven targets. Our focus to offer a bouquet of channels in national and vernacular languages has reaped rich dividends, giving us an edge over competition. Advertising revenues of 16.3 % would possibly stand out as an exception in TV News industry. Moreover, our strategy to concentrate on the middle line besides top line has ensured that the company remains in fine fettle. Usually Q2 is the slowest quarter in terms of advertising revenue. Despite that, we are pleased to post a healthy EBITDA. In this context, the buoyant figures in Q2 set the pace for an even more successful Q3."

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 2011. The Q1 FY 2011 numbers do not include the performance of regional entertainment channels- Zee Marathi, Zee Bangle, 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.

Consolidated Financials

EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2010

(Rs. Million)	2nd Quarter ended		Upto 2nd Quarter ended	
	Sep-10	Sep-09	Sep-10	Sep-09
Operating Revenue	615.9	1,612.3	1,264.4	2,986.4
Expenditure	545.7	1,354.7	1,112.9	2,481.0
EBIDTA	70.2	257.6	151.5	505.4
Depreciation	23.9	30.5	50.9	61.0
Operating Profit	46.3	227.1	100.6	444.4
Less: Finance Expenses	37.6	70.8	68.9	148.1
Add: Other Income	23.4	46.2	55.8	87.3
Net Profit before Tax	32.1	202.4	87.5	383.6

Consolidated Financials (Break up of Revenues)

(Rs. Million)	2nd Quarter ended		% of Total Revenues	
	Sep-10	Sep-09	Sep-10	Sep-09
Advertising Revenue	407.2	1,279.8	66.1%	79.4%
Subscription Revenue	194.1	275.9	31.5%	17.1%
Other Sales & Services	14.6	56.6	2.4%	3.5%
Total Revenues	615.9	1,612.3	100.0%	100.0%

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	2nd Quarter ended		% of Total Expenditure	
	Sep-10	Sep-09	Sep-10	Sep-09
Cost of Goods & Operations	155.1	657.9	28.4%	48.6%
Employee Cost	171.1	189.8	31.4%	14.0%
Other Expenses	219.5	507.0	40.2%	37.4%
Total Expenses	545.7	1,354.7	100.0%	100.0%

Consolidated Financials (Break up of Revenues)

(Rs. Million)	Upto 2nd Quarter ended		% of Total Revenues	
	Sep-10	Sep-09	Sep-10	Sep-09
Advertising Revenue	859.4	2,370.6	68.0%	79.4%
Subscription Revenue	374.4	541.3	29.6%	18.1%
Other Sales & Services	30.5	74.5	2.4%	2.5%
Total Revenues	1,264.4	2,986.4	100.0%	100.0%

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	Upto 2nd Quarter ended		% of Total Expenditure	
	Sep-10	Sep-09	Sep-10	Sep-09
Cost of Goods & Operations	282.8	1,179.3	25.4%	47.5%
Employee Cost	336.7	386.1	30.3%	15.6%
Other Expenses	493.4	915.6	44.3%	36.9%
Total Expenses	1,112.9	2,481.0	100.0%	100.0%

Consolidated Financials

(Rs. Million)	2nd Quarter FY 2011			2nd Quarter FY 2010		
	Existing	New	Total	Existing	New	Total
Total Revenue	578.4	37.5	615.9	1,129.8	482.5	1,612.3
Total Expenses	391.6	154.0	545.6	760.9	593.8	1,354.7
EBIDTA	186.8	(116.5)	70.3	368.9	(111.3)	257.6
EBIDTA Margins	32.3%	-310.7%	11.4%	32.7%	-23.1%	16.0%

Consolidated Financials

(Rs. Million)	Upto 2nd Quarter FY 2011			Upto 2nd Quarter FY 2010		
	Existing	New	Total	Existing	New	Total
Total Revenue	1,192.2	72.2	1,264.4	2,163.0	823.4	2,986.4
Total Expenses	797.2	315.7	1,112.9	1,377.8	1,103.2	2,481.0
EBIDTA	395.0	(243.5)	151.5	785.2	(279.8)	505.4
EBIDTA Margins	33.1%	-337.6%	12.0%	36.3%	-34.0%	16.9%

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 Tamil, Zee 24 Gantalu & Zee News U.P More information about Zee News Limited and its businesses is available on www.zeenews.com.