



ZEE NEWS LIMITED

EARNINGS RELEASE FOR THE THIRD QUARTER ENDED DECEMBER 31, 2012

ADVERTISING REVENUES UP BY 14.8% TO RS. 595.6 MN FROM RS. 518.8 MN

SUBSCRIPTION REVENUES UP BY 15.2% TO RS. 222.0 MN FROM RS. 192.7 MN

PROFIT BEFORE TAX OF RS. 185.5 MN UP BY 14.2% ON A YOY BASIS

Operating Highlights

- ❖ Ad revenues were Rs. 595.6 mn as compared to Rs. 518.8 mn in the previous year, a 14.8% growth, growing much faster than low single digit news industry growth and despite significant opportunity loss of Government advertising revenues. The company capitalized on the festival season by offering branding and event based solutions for its clients.
- ❖ Subscription revenues increased by 15.2% to Rs. 222.0 mn with digitization getting completed in the metros of Delhi & Mumbai and having made significant inroads in Kolkata in the quarter. YTD figures are also in a good shape at Rs. 620.6 mn, up 16.1% from Rs. 534.4 mn.
- ❖ Despite operating under inflationary conditions, the company has managed to increase its Net Profit Before Tax by 14.2% to Rs. 185.5 mn from the earlier Rs. 162.5 mn.
- ❖ EBITDA stood at Rs. 196.7 mn as opposed to Rs. 189.7 mn for the quarter last year.

Mumbai, India; Jan 29, 2013 – Zee News Limited (ZNL) (BSE: 532794, NSE: ZEENEWS) today reported third quarter fiscal 2013 consolidated revenues of Rs. 858.4 million. Consolidated EBITDA stood at Rs. 196.7 million. Net Profit before tax stood at Rs. 185.5 million and Operating Expenditure at Rs. 661.7 million. The Board of Directors, in its meeting held today, approved and took on record the Un-audited financial results of ZNL for the quarter ended on December 31, 2012.

Mr. Subhash Chandra, Chairman, Zee News Ltd., said, "There have been several positives in the quarter for both the Indian and world economy. While the US has avoided going over the fiscal cliff as of now and Eurozone crisis has abated, the Indian establishment has taken a number of positive steps towards bolstering investor confidence and improving the state of the country's economy. I believe moves to contain fiscal deficit, open FDI in Retail and bring in efficiencies in the delivery of government services would help our economy shift gears."

He added, "Our Company remains committed to capitalizing on the various changes in the environment, like Digitization, to ensure that we are at the forefront for achieving consistent growth which is evident in the results of this quarter."

Mr. Punit Goenka, Managing Director, ZNL, said, "The highlight of the quarter for our industry was, beyond doubt, the completion of Digitization in Delhi and Mumbai cable television households. Our Subscription revenues have shown a significant increase accordingly. We expect the trend to continue and see Kolkata and Chennai catching on the Digitization front. Also, the second phase of Digitization is expected to be done by the end of the fourth quarter. In addition, our emphasis on developing innovative solutions for advertisers has ensured that we have grown strongly in the quarter despite certain revenue constraints being faced by the leading news broadcasters."

Mr. Alok Agrawal, CEO, ZNL, said, "Post-digitization, the content of our News Network has become more visible we have emerged as the largest News Network in the country in terms of reach having a combined reach of about 75 mn viewers. Our flagship channel, Zee News, too has shown a 19% improvement in relative share as compared to pre-digitization period. Our Company would be leveraging this viewer preference to scale the next level of growth. We also have planned some strategic initiatives to get additional synergies out of our Network and Group. We expect these to bear fruit in the coming quarters."

Condensed Consolidated Statement of Operations

The table below presents the condensed consolidated statement of operations for Zee News Limited and its subsidiary for the third quarter FY 2013.

Consolidated Financials

(Rs. Million)	3rd Quarter ended		% Growth YoY	Upto 3rd Quarter ended		% Growth YoY
	Dec-12	Dec-11		Dec-12	Dec-11	
Operating Revenue*	858.4	779.7	10.1%	2,247.5	2,208.9	1.8%
Expenditure	661.7	590.0	12.2%	1,918.8	1,859.4	3.2%
EBITDA	196.7	189.7	3.7%	328.7	349.5	-5.9%
Less: Depreciation	28.7	28.1	2.3%	82.9	81.2	2.2%
Less: Finance Expenses	26.2	26.4	-1.2%	71.0	81.1	-12.5%
Add: Other Income	43.7	27.3	60.3%	121.1	85.4	41.8%
Net Profit before Tax	185.5	162.5	14.2%	295.9	272.6	8.5%

EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2012
Consolidated Financials (Break up of Revenues)

(Rs. Million)	3rd Quarter ended		% of Total Revenues		% Growth YoY
	Dec-12	Dec-11	Dec-12	Dec-11	
Advertising Revenue	595.6	518.8	69.4%	66.5%	14.8%
Subscription Revenue	222.0	192.7	25.9%	24.7%	15.2%
Other Sales & Services	40.8	68.2	4.7%	8.8%	-40.0%
Total Revenues	858.4	779.7	100.0%	100.0%	10.1%

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	3rd Quarter ended		% of Total Expenditure		% Growth YoY
	Dec-12	Dec-11	Dec-12	Dec-11	
Cost of Goods & Operations	135.2	148.0	20.4%	25.1%	-8.7%
Employee Cost	227.6	185.5	34.4%	31.4%	22.7%
Other Expenses	298.9	256.5	45.2%	43.5%	16.6%
Total Expenses	661.7	590.0	100.0%	100.0%	12.2%

Consolidated Financials (Break up of Revenues)

(Rs. Million)	Upto 3rd Quarter ended		% of Total Revenues		% Growth YoY
	Dec-12	Dec-11	Dec-12	Dec-11	
Advertising Revenue	1,498.0	1,441.7	66.7%	65.3%	3.9%
Subscription Revenue	620.6	534.4	27.6%	24.2%	16.1%
Other Sales & Services	128.9	232.8	5.7%	10.5%	-44.6%
Total Revenues	2,247.5	2,208.9	100.0%	100.0%	1.8%

Consolidated Financials (Break up of Expenditures)

(Rs. Million)	Upto 3rd Quarter ended		% of Total Expenditure		% Growth YoY
	Dec-12	Dec-11	Dec-12	Dec-11	
Cost of Goods & Operations	388.1	496.9	20.2%	26.7%	-21.9%
Employee Cost	645.1	566.1	33.6%	30.4%	14.0%
Other Expenses	885.6	796.4	46.2%	42.9%	11.2%
Total Expenses	1,918.8	1,859.4	100.0%	100.0%	3.2%

*Operating Revenues and Expenditures for YTD Q3 FY2013 are not comparable to those for YTD Q3 FY2012 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 with effect from Jul 1, 2011, a joint venture, which pays subscription revenues to ZEE net of expenses.

Consolidated Financials

(Rs. Million)	3rd Quarter FY 2013			3rd Quarter FY 2012			Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenue	824.6	33.8	858.4	748.3	31.4	779.7	10.2%	7.7%	10.1%
Total Expenses	568.0	93.7	661.7	501.5	88.5	590.0	13.2%	5.9%	12.1%
EBITDA	256.6	(59.9)	196.7	246.8	(57.1)	189.7	4.0%	4.9%	3.7%
EBITDA Margins	31.1%	-	22.9%	33.0%	181.9%	24.3%			

Consolidated Financials

(Rs. Million)	Upto 3rd Quarter FY 2013			Upto 3rd Quarter FY 2012			Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenue	2,148.4	99.1	2,247.5	2,118.3	90.6	2,208.9	1.4%	9.4%	1.7%
Total Expenses	1,645.6	273.2	1,918.8	1,588.4	271.0	1,859.4	3.6%	0.8%	3.2%
EBITDA	502.8	(174.1)	328.7	529.9	(180.4)	349.5	-5.1%	-3.5%	-5.9%
EBITDA Margins	23.4%	175.7%	14.6%	25.0%	199.2%	15.8%			

**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

- ❖ ZNL, with a cumulative reach of 74.8 mn, emerged as the largest News Network on All India basis. (Source: TAM, Q3, CS 4+, All India).
- ❖ Zee News, our flagship channel, had maximum increase in channel share by 19%, among the top Hindi news channels, post digitization. (Source: TAM, Q3, CS 25+ M AB Week 44 to 52).

The channel initiated a campaign to educate viewers and clients regarding benefits of digitization through various media and also established ZNL leadership in digitization era. The channel also strengthened its philosophy through interactive activity *Jeetegi Aapki Soch*. The activity was executed during the festival season and was well received by the viewers.

- ❖ Zee Business, India's first 24-hour Hindi business channel, was the leader in average time spent by the viewers on the business news channels in Hindi Speaking Markets. (Source: TAM, Q3, TG: CS 25+ M ABC, HSM)

The channel undertook initiative to honour various supply side establishments having critical role in creating the dynamic Indian real estate industry through Good Home Awards. Beyond Mandi, the channel's flagship commodities event, had its editions in the cities of Bengaluru, Indore, Jaipur and Raipur, each of which had an attendance of over 300 commodity investors.

- ❖ 24 Ghanta, our Bengali news offering, was the leader in reaching out to audiences in West Bengal among all the Bengali news channels and reaching out to over 5.6 mn audiences. (Source: TAM, Q3, TG: CS 15+, WB).

24 Ghanta continued to be deeply involved with the lives of its viewers through the Network's flagship city connect initiative Amar Shahar wherein civic and administrative issues of various districts were covered. In addition, the channel had Dashabhuj, a

contest wherein women were tested on a multitude of skills bringing out the best of female talent in West Bengal. Also, our year-end programming *Phire Dekha* was taken on ground for interactivity with audiences. The channel also is securing the culture and heritage of Bengal through its special initiatives.

- ❖ Zee 24 Taas continues to be No. 2 across Maharashtra with its incisive news coverage leading to a high reach of 9.9 million viewers. (Source: TAM, Q3, CS 15+, Mah).

The channel had the Network's flagship city connect initiative *Aapla Shahar, Aapla Awaaz* which saw enthusiastic participation from viewers and administration alike. In addition, the channel continued to make deeper inroads into the Marathi households through *Diwali Falal* contest.

- ❖ Zeenews.com continued its upward growth trend in third quarter with a particularly good showing in December 2012. The mega success of its assembly election coverage ensured that the website garnered an unprecedented 8.5 mn unique visitors and 37 million page views in the month. On the results day, Zeenews.com ranked on top for all the election related keywords and attracted 72,000 concurrent users* for the first time in its history, setting a new benchmark. The regional websites also performed exceedingly well. While the Hindi website achieved 25% growth in page views, the readership of its homepage recorded 153% growth in the third quarter. The Bengali website also put up a spectacular show with a phenomenal 208% growth in unique visitors as compared to the last quarter. (Traffic Source – Google Analytics; *Concurrent data Source – Who.Amung.Us).

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.