



ZEE NEWS LIMITED

PRESS RELEASE FOR DE-MERGER OF REGIONAL ENTERTAINMENT CHANNELS FROM ZEE NEWS LIMITED

BOARD OF ZEE NEWS LIMITED (ZNL) APPROVES PROPOSED SWAP RATIO BY ZEE ENTERTAINMENT ENTERPRISES LIMITED (ZEEL) OF 4 EQUITY SHARES OF RUPEE 1/- EACH OF ZEEL FOR 19 EQUITY SHARES OF RUPEE 1/- EACH HELD IN ZNL, FOR THE DE-MERGER OF ZNL'S REGIONAL ENTERTAINMENT BUSINESS TO ZEEL

Delhi, India; October 29, 2009 - The Board of Directors of Zee News Limited (ZNL) (BSE: 532794, NSE: ZEENEWS) in its meeting today approved the proposed share swap ratio by Zee Entertainment Enterprises Limited (ZEEL) for the de-merger of ZNL's regional entertainment business (R-GEC) to ZEEL. The proposed de-merger would be funded by issuance of new shares by ZEEL to shareholders of ZNL and the share swap ratio has been proposed at 4 equity shares of Rupee 1/- each of ZEEL for 19 equity shares of Rupee 1/- each held in ZNL, as a consideration for the de-merger of the R-GEC business undertaking.

The Board of Directors of the Company had in an earlier meeting on October 23, 2009 granted "in-principle" approval for the de-merger of the R-GEC business undertaking into ZEEL. In its meeting held today, the Board considered and approved the Scheme of Arrangement between the ZEEL and ZNL under the provisions of Sections 391-394 of the Companies Act, 1956.

The process has been based on the valuation report submitted by independent valuer M/s. Grant Thornton India and a fairness opinion provided by M/s. Kotak Mahindra Capital Company Limited. The appointed date for the Scheme of Arrangement will be January 1, 2010 and the scheme is subject to the necessary approvals from the stakeholders, creditors and regulatory authorities including of the Stock Exchanges and the Bombay High Court.

Commenting on the de-merger, Mr. Subhash Chandra, Chairman, ZNL stated "We have taken proactive measures to unlock shareholder value in Zee News Limited. The ZNL shareholders will also continue to take part in the divested assets through their holding in ZEEL. The demerger of the R-GEC business will lead to higher focus on the news operations of the company while Zee News Limited continues on its path to become a news powerhouse in the times to come. We would be expanding our presence in the news media space in a big way in the times to come."

The de-merger of the R-GEC business includes six television channels (Zee Marathi, Zee Bangla, Zee Talkies, Zee Telugu, Zee Kannada and Zee Cinemalu) along with the assets and liabilities pertaining to these businesses. During FY2009, the R-GEC business had a



turnover of Rs 3,403 million and an EBITDA of Rs 797 million and capital employed of Rs 2,319 million on March 31, 2009. During 1H FY2010, the R-GEC business had a turnover of Rs 1,868 million and an EBITDA of Rs 597 million.



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 one of India's leading media and entertainment companies. It has a unique cluster of news & current affairs and regional entertainment channels, which includes Zee News, Zee Business, Zee Marathi, Zee Bangla, Zee Punjabi, Zee 24 Taas, Zee Kannada, Zee Telugu, Zee Tamil, Zee Talkies, Zee 24 Gantalu & Zee News U.P More information about Zee News Limited and its businesses is available on www.zeenews.com.