



ZEE NEWS LIMITED
ENGAGE INFORM EMPOWER



Annual Report 2009 - 10

making





ZEE NEWS LIMITED

making of a **NEWS POWERHOUSE**

With its accent on serious news and thought innovation, Zee News Limited has definitively emerged as the foremost and the most credible news network in the country.

The company is now set to consolidate its news operations through the demerger of the R-GECs; a process that was duly completed this year. Post demerger, ZNL has eight 24x7 news channels, namely: Zee News, Zee Business, Zee 24 Taas, Zee News UP, Zee 24 Gantalu, Zee Punjabi, Zee Tamizh and 24 Ghanta.

The flagship Zee News is among the most watched during prime time, whereas Zee Business remains the most viewed during the stock market band. 24 Ghanta is the acknowledged leader in West Bengal and Zee 24 Taas leads the pack in Mumbai. Of the newly launched channels, Zee News UP has been making a steady progress towards the top spot.

To retain our edge in this very competitive market, it will be our concerted effort to tap and maximize all revenue streams available to the business. While news operations in India are yet to be a profitable venture for most players, ZNL with its novel and aggressive approach stands out as an exception.

For us, subscription income has been a key factor. While Zee News has been a pay channel from the beginning, we will vigorously look at replicating this revenue model in the vernacular space as well. Moreover, the advertisement market of news channels is also expected to grow by 13% this year.

Importantly, news is getting localized by the day and the next push is expected to come from the regional arena. Having spotted this trend early, ZNL has successfully established a bouquet of national and regional news channels to take advantage of the new growth prospects. Going forward, the network span, leading to rational efficiency, would render the company further advantage to expand profitability.

As we emerge from the recession, rising consumption across metros and the regions beyond will drive demand. It is here that ZNL will be strategically poised to leverage its network strength. Its first mover advantage in the regional markets coupled with ambitious expansion plans will help drive growth, thus making it a throbbing and vibrant news powerhouse.



chairman's message

Dear Shareholders,

It gives me immense pleasure to present before you the annual results of Zee News Limited for the Financial Year 2009-10. At the onset, let me thank you for the trust that you have reposed in the Company and the support you have extended to the management. I would like to add here, with great satisfaction, that the performance of the Company has been equally commendable.

Restructuring of the Organization

It goes without saying that we have all had a very eventful 2009-10. Not only have we weathered the recession and emerged unscathed, we have also restructured the organization.

Having already built a nationwide news network and riding on our spectacular performance of news operations despite recession, it was a natural strategic decision for us to move towards creating a sensible and respectable News Powerhouse in the country. Clearly, the growth potential of regional television as well as rapidly spreading digitalization would significantly fuel our endeavour.

Upon receipt of all the regulatory and statutory approvals, including from the Honourable Bombay High Court, the de-merger process of the Regional General Entertainment Channels (R-GECs) was effectively concluded on March 29, 2010.

This, on one hand, has resulted in unlocking shareholders value and, on the other, has paved way for Zee News Limited to focus on its main area of business i.e. News, and firmly ensconce its presence in the regional expanse.

Your Company is already the largest news network of the country and is set to further entrench itself in the national and vernacular markets.



Overall Performance

Notwithstanding the economic slowdown, the two-pronged strategy of regionalization and consolidation within the existing areas of business has worked and borne fruit.

Zee News continues with its emphasis on sensible programming and concerted policy to move away from frivolity and hype. Zee News has thus, not surprisingly, been found to be the most favoured Hindi news channel in Delhi and all the other major Metros, whenever a major news story broke. It has also scored over rivals in stickiness and has recorded a solid performance when evaluated on the time spent criteria.

Zee Business has been another success story. It is now a firm leader in terms of viewership during the stock market hours – the most vital segment in the business genre. The channel also launched several top notch initiatives and campaigns during the year to reach out to the viewer, and is doing particularly well amongst the decision makers in the medium and small scale industry sector.

Zee 24 Taas is a front runner in the Mumbai market, while 24 Ghanta is a clear leader in West Bengal.

Of the three new channels in our bouquet, Zee News UP and Zee 24 Gantalu have completed a year each.

Zee News UP has shown unprecedented growth, and immediately occupied

the top slot after its launch. Its continued popularity in UP and Uttarakhand has helped it gain a big chunk in the advertising pie of the region. Zee 24 Gantalu is focusing on establishing itself as an unbiased and objective news channel in the crowded, but the largest in terms of advertisement revenue, AP market. Zee Tamizh has now cut down on losses and is also innovating to increase reach.

Financial Highlights

We continued with our exceptional performance in profitability and revenue all through the year. Buoyed by the encouraging performance of the channels, we have grown exponentially in terms of advertising and subscription revenue. While the year-on-year figures are not comparable because of the de merger, focus on current deliverables remains our driving principle. The year closed with a PAT of Rs 468 mn.

During the first nine months, when the numbers were comparable, we have grown by 26% in operating profit and 22% in revenue.

Even after the de merger, we maintained a robust growth momentum and during the fourth quarter we registered a 30% growth in advertising revenue and posted a net profit of Rs 22 mn

despite losses of the three newly launched channels.

As we focus on consolidation in the year 2010-11, we expect the news operations to outperform the TV news industry.

Human Capital, Social Responsibility and Corporate Governance

We seek to recruit and aim at retaining the best talent in the market. The faces of our channels are among the most recognized and respected names in journalism. We have been undertaking training programmes for our employees to keep them abreast with the latest technology and hone their skill sets.

Zee News Ltd aspires to be both a customer and employee friendly Company. As a part of an initiative to get our finger on the pulse of the employees, we implemented an Employee Feedback system, which gave us several useful insights. Like always, we also completed performance appraisal for the entire group based on pre-decided set of Key Result Areas (KRAs).

As for our social responsibility which is an integral part of our philosophy for the news business, the Company honoured brave soldiers and unsung heroes of the country through the Ananya Samman events held in Delhi, Kolkata and Mumbai.

I also assure you that your Company is fully compliant with the Corporate Governance Code laid down by SEBI and the stock exchanges. The Company continues to look to the Board of Directors for their constant guidance and encouragement.

Future Course

Not only has there been an explosive growth of news channels in this past decade, digitalization and regionalization have changed the rules of the game.

Your Company has persevered and made profits leveraging our first-mover advantage and a well thought out strategy. Our investments in digitization will now help us reap benefits in the coming years, as we reach more and more viewers through DTH, the subscription of which is estimated to reach 35 million households in 2012, and Digital cable.

In 2009, television industry stood at USD 5.65 billion registering a growth of 6.8 per cent. According to estimates, the industry is projected to grow at a compounded annual growth rate of 13-15% and reach about USD 11.45 billion by 2014. Your Company is therefore laying great emphasis on distribution, so that we can capture more eyeballs in the fast expanding market.

As more and more retail advertisers are turning to the audio-visual medium, our penetration in the regional markets will give us a great competitive advantage. Your Company, with its bouquet of national and regional channels, is well equipped and favourably poised to utilize its network strength for synergies. We have already spread

our network wide, but our aspirations are soaring and we will continue to invest and grow in areas which afford opportunity. However our expansion, as always, would be judicious, as we embark upon our journey to become a News Powerhouse. A firm editorial policy and focus on current deliverables would continue to be our guiding philosophy

Your Company was determined and remains resolute to consolidate its position in the existing, as well as untapped markets, to stay firmly saddled as the No. 1 and the most dependable news network of the country.

At the end, I would like to sincerely thank all our stake holders – shareholders, viewers, advertisers, bankers and employees- for reposing trust in us and encouraging us to move forward from strength to strength.

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India's pioneering, most respectable and responsible Hindi news channel

Zee News, the flagship channel of the ZNL, is the oldest of its bouquet, reaching millions of viewers across the country. Launched in 1992, the channel revolutionised the way news was viewed and consumed by audiences in India.

Zee News created history in 1999 by becoming the first 24-hour Hindi news channel in the country. Since its launch, Zee News has consolidated its position as one of the most viewed Hindi news channels and continues to maintain its leadership position in the market till date.

While the rapid mushrooming of news channels in recent years has led to trivialization of news in a blind race to capture eyeballs in a fragmented market continued focus of Zee News on providing serious news, sets it apart as a responsible and credible channel.

Nonstop@9

A complete daily news magazine is the first and only break-free bulletin offered at 9 pm, the eternal news hour.

Badi Khabar

A daily current affairs show on Zee News that analyzes the biggest news of the day in terms of its impact on the nation and society.

Zara Sochiye

The winner of the New York Festival Award under the 'Community Service Programs' category, Zara Sochiye takes a serious view of issues that affect the life of the common man. It prods viewers to pause and contemplate on matters that affect civil society and encourages proactive action.

Mera Ghar Meri Jeb

The only programme on the national news channel, which talks about Personal Finance and focuses on Household Budgeting.



India's first Hindi Business News channel - Leader of the Stock Market band

A leader and trendsetter in its genre, the channel has a distinct and clear edge over its competitors during business prime time - the stock market band. For the fact that it vibes with ambition and passion of today's entrepreneurs, it is received enthusiastically by the Small and Medium Sector - the growth engine of Indian business and economy.

Bechein Ya Rakhein

A call-in programme well received by the viewers for its actionable advice pertaining to stock market investing. No beating around the bush, just straight answers. Top stock picks for the day are selected in association with reputed financial markets experts and consultants, making it a tool kit for the day's trading.

Mandi Live

India's first programme on the commodity market. It remains India's No. 1 programme in the segment, despite a proliferation of clones, and is considered a barometer for the commodity market at the local Mandi level.

Share Bazaar Live

Coverage of the market opening hours (every weekday, 8.30 am to 10.00 am). It features important news & events that could have an impact on the markets for the day and also gives trading tips in association with reputed market experts.



Online Properties



The sizzling pot of glamour, entertainment and lifestyle stories.

ZEENEWS.COM

Being one of the most read news sites on the web and a leader in Breaking News, Zeenews.com strives to fulfill its promise of providing information at lightning speed. It gives the readers crisp, clear and un-biased journalistic views, making news reading an invigorating experience.

ZEECRICK.COM

A website that is fully equipped with Live Scorecard, Highlights, Wagon-wheels, Graphs and Commentary, Real Time Updates and all the News on and off the cricket field.

The acknowledged leader in West Bengal

The acknowledged leader in Bengali news market, 24 Ghanta has been consistently ahead of competition in reach and share. Not only is it popular, but equally credible and dynamic. Its leadership position has won it huge following among the citizens and power centres, making it a clear opinion maker in Bengal.

Apnar Raay

Apnar Raay is one of the most talked about properties of 24 Ghanta. The show monitors special happenings including developments in politics, socio-cultural and socio economic issues during the day. It is the only interactive live discussion programme running 365 days a year on any news channel.

Banglar 24 Ghanta

Banglar 24 Ghanta concentrates on news from every corner of the 18 districts of West Bengal.



খবর যেখানে থেমে থাকে না



The most watched Marathi channel in Mumbai

Zee 24 Taas, the first 24X7 Marathi news channel of India, reinforces an attitudinal statement through its new positioning i.e. 'Ek Paul Pudhe' (One Step Ahead). The channel always strives to keep its viewers one step ahead of others in getting news and information. Zee 24 Taas also leads in viewership in Mumbai.

Aapla Shahar Aapla Awaaz

A unique initiative started in 2007, with the purpose of strengthening the common man's voice. The event 'Aapla Shahar Aapla Awaaz' travels to 24 cities of Maharashtra, where local residents are provided a platform and an opportunity to discuss, debate & question administrators and political leaders from their vicinity pertaining to various issues of development and welfare.

24 Taas Vishesh

A half an hour weekday news-based debate show, wherein the most important news is put under the magnifying glass. The debate tries to bring forth various points of view, so that viewers get a holistic roundup.



एक पाऊल पुढे



A leader in the making in Uttar Pradesh and Uttarakhand

Within just six months of its inception, Zee News UP emerged as a leader in the Uttar Pradesh and Uttarakhand markets. Its steadfast adherence to truth, accountability, focus on local issues and its bold yet unadulterated and neutral news presentation has enabled it to firmly establish itself as a serious player to reckon with.

Hamara Shahr

With localisation at its best, the property is an issue based city and state centric bulletin covering areas that the channel caters to. It has dedicated daily city specific specials on Bareilly, Gorakhpur, Agra, Meerut, Kanpur & Varanasi and state specials on Uttarakhand & Uttar Pradesh.

Aap Ki Awaaz

As a true representative of the people of the region, the show covers and amplifies all social issues that concern the larger part of society. It is an interactive platform that gives the audiences a chance to raise their concerns and get heard by those who matter.



जड़ से जहां तक



Growing in popularity with Tamil viewers

Zee Tamizh is unique in its way and has a variety of quality programmes, which best suit the Tamil audiences.



The global Punjabi channel that is fair and balanced

A name that has been synonymous with Punjabi television for years among the local populace and the entire diaspora. The channel is immensely popular globally, and is highly appreciated across the genre for its fairness, objectivity and balanced content – news & current affairs, religious programmes & infotainment.



ਆਪਣੀ ਬੋਲੀ ਆਪਣਾ ਘਾਟ

Arguably, the only objective news channel in the Telugu market

Zee 24 Gantalu is not just the fastest growing Telugu news channel, but the only Telugu national news channel. Arguably the most objective news channel in the market, it is respected for its credibility and is fast emerging as an opinion maker.



జడం జడం-లాంటిది

the road ahead

Digitalization and Regionalisation

Taking a step forward in its endeavour to create a 'News Powerhouse', ZNL decided to demerge the regional entertainment channels.

The company is now leaner, fitter and more structured to consolidate its position in the news business. It has not only outperformed competition as a network, but is constantly setting new benchmarks in terms of quality programming, viewership and revenue generation. The vernacular news market in India has witnessed exponential enlargement over the last four years, augmenting to become a Rs 5 billion market. It is expected to maintain this scorching pace of growth over the coming years as well.

With increase in literacy, consumption and disposable incomes in Tier 2 & 3 cities, the big push in the future is likely to come from these markets. Advertisers are also increasing focus on the emerging rural segment, as urban market gets overheated and saturated. This will further fuel the demand for regional content. And this is where we have a headstart. Our continued concentration on regionalization will prove to be of great advantage. It will help us both consolidate and enter untapped markets and script a whole new growth story.

ZNL will also benefit greatly from digitization of the distribution channels. As per the report of Media Partners Asia, India will become the largest direct-to-home (DTH) market in the world in terms of subscribers by 2012. From an installed base of 17 million in 2009, the number of DTH subscribers will reach 45 million by the year 2014. The digitization of TV platforms will certainly pave the way for transparent distribution of revenues for stakeholders.

In days ahead, synergy will be the key deciding factor for any news network. Our channels are set to draw benefit from each others' strengths, maximizing use of huge

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pan-India resources and advantages. As a logical extension, our focus will therefore be on consolidation. A start in this direction has already been made. Down the road, we will also look at all avenues for judicious expansion, so as to fully exploit potential areas of growth and revenue. Zee News Limited as the No. 1 news network in the country is now perfectly aligned to ride the market momentum, on the back of its inherent network strength, to chart novel growth curves, test new waters and scale greater heights.