



## ZEE NEWS LIMITED

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### EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2007

ZEE NEWS LIMITED REPORTS Q1 FY08 STANDALONE REVENUES OF RS 745 MILLION, UP 70%

Q1 FY08 STANDALONE OPERATING PROFIT OF RS 119.1 MILLION AS AGAINST A LOSS OF RS 75.3 MILLION FOR THE CORRESPONDING QUARTER LAST FISCAL

STANDALONE NET PROFIT OF RS 63.8 MILLION

#### Q1 FY2008 - Highlights

- ❖ Advertisement revenue was Rs 592.43 million for the quarter ended June 30, 2007, an increase of 95.52% on a like-to-like basis compared to Q1 FY07.
- ❖ Subscription revenue was Rs 136.48 million for the quarter ended June 30, 2007, an increase of 10.78% on a like-to-like basis compared to Q1 FY07.
- ❖ Operating profit was Rs 119.1 million for the quarter ended June 30, 2007, as against a loss of Rs. 75.3 million on a like-to-like basis in Q1 FY07.
- ❖ Each one of the channels under Zee News Limited either increased or held on to their channel shares compared to the corresponding quarter last year. All-channel share of ZNL channels grew from 2.8% in Q1 FY 07 to 3.8% in Q1 FY 08.
- ❖ During Q1 FY08 'Zee Bangla' and 'Zee Marathi' increased their GRP's by 156% and 41% respectively over the corresponding quarter last year, while 'Zee Telugu' and 'Zee Kannada' increased their GRP by 29% and 89% respectively.

**NOIDA, India; July 16, 2007** - Zee News Limited (ZNL) today reported Standalone First quarter revenues of Rs. 745 million, representing a 70% growth on a like-to-like basis over the corresponding quarter last fiscal. The operating profit for the quarter stood at Rs. 119.1 million. The corresponding quarter last fiscal, showed a loss of Rs.75.3 million on a like-to-like basis. Profit before tax for the quarter ended June 30, 2007 was Rs 101.6 million while Net Profit was Rs 63.8 million. Consolidated operating revenues for Q1 FY08 stood at Rs.758.7 million and consolidated operating profit was Rs109.98 million.

The Board of Directors in its meeting held today, has taken on record the unaudited financial results of Zee News Limited for the quarter ended June 30, 2007.

Mr. Subhash Chandra, Chairman, stated, "Zee News Limited has reinforced its position in the marketplace during Q1 FY08. Advertising revenues have shown a robust growth of 95.52% while subscription revenue grew by 10.78% during the quarter. While 'Zee Marathi' & 'Zee Bangla' have shown sterling performance, the other existing businesses of Zee News Limited have also maintained the growth momentum. The trends in the new businesses are positive with Zee Telugu and Zee Kannada performing creditably. This should stand us in good stead for the future. Zee News Limited is well on its way to becoming a powerhouse in the news and regional entertainment genres."



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Mr. Laxmi Narain Goel, Managing Director, Zee News Limited commented, "Zee Marathi and Zee Bangla have excelled in their performance during the quarter. Zee Marathi has maintained a vice-like grip on the #1 position in the Marathi genre while Zee Bangla has also delivered a huge GRP increase of 156% over the corresponding quarter last year. Zee News continued to maintain its ratings in the face of stiff competition in the Hindi News genre while registering strong revenue growths. We have met our revenue and profitability targets for the first quarter and this will only make us set the bar even higher."

Elaborating on the performance, Mr. Harish Doraiswamy, CEO said, "The existing businesses have turned in a strong performance and revenues of existing businesses have grown by 70.5%. The new businesses have also gained ground during the first quarter. We are pleased to report that this quarter was one of the best ever in terms of revenues for many of our channels. For this to happen in the Apr-June quarter, traditionally not among the best quarters for the industry, is a reflection of the quality of the exceptional performance of our team. We are pleased to report that operating margins on our existing businesses doubled from 17.2% during Q1 FY07 to 35.4% during Q1 FY08."

#### Condensed statement of operations

The table below presents the condensed statement of operations for Zee News Limited standalone for the Q1 FY 2008 as compared to the like-to-like numbers for the corresponding quarter last fiscal.

(Rs. millions)	1st Quarter ended		% Growth
	FY 2008	FY 2007	
Operating Revenues	744.55	438.27	70
Expenditure	625.45	513.56	22
<b>Operating Income</b>	<b>119.09</b>	<b>(75.29)</b>	
Add: Other Income	0.47	33.04	(98)
Depreciation	16.27	9.90	64
Finance Expenses	1.68	33.00	(95)
PBT before exceptional items	101.61	(85.15)	
Less: Exceptional items	-	-	
Less: Provision for Tax	37.76	-	-
<b>Profit After Tax</b>	<b>63.85</b>	<b>(85.15)</b>	<b>175</b>

#### Revenue and Operating Profits

The table below presents a comparison of the like-to-like performance of Existing business V/s New business.

(Rs. Millions)	Q1 FY 2008			Q1 FY 2007			Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenues	698.66	45.88	744.55	409.76	28.50	438.27	71%	61%	70%
Total Expenses	451.03	174.42	625.45	339.12	174.44	513.56	33%	0%	22%
<b>Operating Profit</b>	<b>247.6</b>	<b>(128.5)</b>	<b>119.1</b>	<b>70.6</b>	<b>(145.9)</b>	<b>(75.3)</b>	<b>251%</b>	<b>NA</b>	<b>NA</b>
<b>Operating Margin</b>	<b>35.4%</b>	<b>(280%)</b>	<b>16%</b>	<b>17.2%</b>	<b>(511.9%)</b>	<b>(17.2%)</b>			

#### Revenue Streams:



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The Company's revenues are generated primarily from advertising sales and subscription revenues. The table below will enable a better understanding of performance of the various revenue streams on a like-to-like basis.

(Rs. Millions)	1st Quarter ended		% of Total Revenues	
	FY 2008	FY 2007	FY 2008	FY 2007
Advertising Revenue	592.43	303.00	79.6	69.1
Subscription Revenue	136.48	123.20	18.3	28.1
Other Sales & Services	15.63	12.07	2.1	2.8
<b>Total Revenues</b>	<b>744.55</b>	<b>438.27</b>	<b>100.0</b>	<b>100.0</b>

#### Expenditure:

The Company's main expenses include cost of goods and operations, employee cost and administrative and selling expenses. Overall, the costs in first quarter went up 22% on alike-to-like basis compared to the figures for the corresponding quarter last fiscal.

(Rs. Millions)	1st Quarter ended		% of Total cost	
	FY 2008	FY 2007	FY 2008	FY 2007
Cost of Goods & Operations	298.56	252.67	47.7	49.2
Employee Cost	104.38	82.08	16.7	16.0
Other Expenses	222.51	178.81	35.6	34.8
<b>Total Expenses</b>	<b>625.45</b>	<b>513.56</b>	<b>100.0</b>	<b>100.0</b>

#### Condensed consolidated statement of operations

The table below presents the condensed statement of consolidated operations for Zee News Limited for the Q1 FY 2008 as compared to the like-to-like numbers for the corresponding quarter last fiscal.

(Rs. Millions)	1st Quarter ended		% Growth
	FY 2008	FY 2007	
Operating Revenues	758.67	444.62	71
Expenditure	648.70	536.14	21
<b>Operating Income</b>	<b>109.97</b>	<b>(91.52)</b>	
Add: Other Income	0.47	33.04	(98)
Depreciation	16.27	11.66	40
Finance Expenses	1.68	33.00	(95)
PBT before exceptional items	92.49	(103.14)	
Less: Minority Interest	(3.65)	(7.20)	
Less: Provision for Tax	37.76	-	-
<b>Profit After Tax</b>	<b>58.37</b>	<b>(95.95)</b>	



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### EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2007

**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.

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**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 channels including Zee News, Zee Business, Zee Marathi, Zee Bangla, Zee Punjabi, Zee Gujarati, Zee 24 Taas, Zee Kannada and Zee Telugu. More information about Zee News Limited and its businesses is available at [www.zeenews.com](http://www.zeenews.com).