



ZEE NEWS LIMITED

Earnings Release for the Quarter Ended September 30, 2007

ZEE NEWS LIMITED REPORTS Q2 FY08 STANDALONE REVENUES OF Rs. 776 MILLION, UP 44 %

Q2 FY08 STANDALONE OPERATING PROFIT OF Rs. 105 MILLION AS AGAINST A PROFIT OF Rs. 18 MILLION FOR THE CORRESPONDING QUARTER LAST FISCAL

STANDALONE NET PROFIT OF Rs. 57 MILLION

Q2 FY2008 - Highlights

- ❖ Advertisement revenue was Rs 608 million for the quarter ended September 30, 2007, an increase of 57% on a like-to-like basis compared to Q2 FY07.
- ❖ Subscription revenue was Rs 150 million for the quarter ended September 30, 2007, an increase of 9% on a like-to-like basis compared to Q2 FY07.
- ❖ Operating profit was Rs 105 million for the quarter ended September 30, 2007, as against profit of Rs 18 million during the corresponding quarter last year.
- ❖ Most of the Zee News Limited channels increased their channel shares compared to the corresponding quarter last year Q2. All-channel share of ZNL channels grew by 2.4% in Q2 FY 08 as compared to the same quarter last year.
- ❖ During Q2 FY08 'Zee Bangla' and 'Zee Marathi' increased their GRP's by 45% and 25% respectively over the corresponding quarter last year, while 'Zee Telugu', 'Zee Kannada' and '24 Ghanta' increased their GRP by 71%, 18% and 57% respectively.

NOIDA, India; Oct 22, 2007 - Zee News Limited (ZNL) today reported Standalone Second quarter revenues of Rs. 776 million, representing a 44% growth over the corresponding quarter last fiscal. The operating profit for the quarter stood at Rs. 105 million. The corresponding quarter last fiscal, showed a profit of Rs.18 million on a like-to-like basis. Profit before tax for the quarter ended Sept 30, 2007 was Rs 91 million while Net Profit was Rs 57 million. Revenues up to the six months period ended Sep. 30, 2007 stood at Rs.1521 million and operating profit was Rs. 224 million.

The Board of Directors in its meeting held today, has approved and taken on record the un-audited financial results of Zee News Limited for the quarter ended September 30, 2007.

Mr. Subhash Chandra, Chairman, stated, "Zee News Limited has strengthened its position in the marketplace during Q2 FY08. Advertising revenues have grown by 57% while subscription revenue improved by 9% during the quarter. While 'Zee Marathi' & 'Zee Bangla' are steadily climbing the rating chart, the other existing businesses of Zee News Limited have also shown consistent growth momentum. The trends in the new businesses are encouraging with Zee Telugu and Zee Kannada improving their performance despite hyper competitive business environment. This nurtures our hope for a better future. Zee News Limited is moving well on its journey to gain enviable position in the news and regional entertainment genres."

Mr. Laxmi Narain Goel, Managing Director, Zee News Limited commented, "Zee Marathi and Zee Bangla have given sterling performance during the quarter. Zee Marathi has maintained its **Numero Uno** position in the Marathi genre holding a vice-like grip on the #1 position, while 24 Ghanta has



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also delivered a huge GRP increase and leading in Bangla news genre in Q2 FY08. Zee News maintained its ratings in the face of multiplying stiff competition in the Hindi News genre while achieving strong revenue growths. We have met the bottom line target during the 2nd quarter and this fortifies our belief that good people skill, sensitivity to changing needs of viewers, agile strategies, new offerings in content should stand us in good stead for a better future.

Elaborating on the performance, Mr. Goel said, "The existing businesses have shown consistency in performance and revenues of existing businesses have grown by 42%, the new businesses have also performed well in revenues and registered a growth of 80% during the second quarter. We are also pleased to report that the operating margins on our existing businesses increased from 30% during Q2 FY07 to 33% during Q2 FY08.

Condensed statement of operations

The table below presents the condensed statement of operations for Zee News Limited standalone for the Q2 FY 2008 as compared to the like-to-like numbers for the corresponding quarter last fiscal.

(Rs. Millions)	For the 2nd Quarter ended		% Growth
	FY 2008	FY 2007	
Operating Revenues	776	538	44
Expenditure	671	520	29
Operating Income	105	18	483
Add: Other Income	4	28	(86)
Depreciation	16	13	23
Finance Expenses	2	4	(50)
PBT before exceptional items	91	29	214
Less: Exceptional items	-	-	
Less: Provision for Tax	34	-	
Profit After Tax	57	29	97

Revenue and Operating Profits

The table below presents a comparison of the like-to-like performance of existing business V/s new business for the 2nd quarter ended September 30, 2007.

(Rs. Millions)	2nd Quarter FY 2008			2nd Quarter FY 2007			%Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenues	713	63	776	503	35	538	42	80	44
Total Expenses	478	194	671	349	170	520	37	14	29
Operating Profit	235	(130)	105	154	(136)	18	53	NA	NA
Operating Margin%	33	(206)	13	31	(389)	3			



ZEE NEWS LIMITED

Earnings Release for the Quarter Ended September 30, 2007

Table below presents the figures for the six months period ended September 30, 2007.

(Rs. Millions)	2nd Quarter FY 2008			2nd Quarter FY 2007			%Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenues	1,412	108	1,521	913	63	976	55	71	56
Total Expenses	929	368	1,297	688	345	1,033	35	7	25
Operating Profit	484	(260)	224	225	(281)	(57)	115%	NA	NA
Operating Margin %	34	(241)	15	25	(446)	(6)			

Revenue Streams:

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 for the 2nd quarter and six months period ended September 30, 2007.

(Rs. Millions)	2nd Quarter ended		% of Total Revenues		Upto the 2nd Quarter ended		% of Total Revenues	
	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007
Advertising Revenues	608	388	78	72	1,201	691	79	71
Subscription Revenues	150	137	19	26	286	261	19	27
Other Sales & Services	18	13	2	2	34	25	2	3
Total Revenues	776	538	100	100	1,521	976	100	100

Expenditure:

The Company's main expenses include cost of goods and operations, employee cost and administrative and selling expenses. Overall, the costs in 2nd quarter went up 29% on alike-to-like basis compared to the figures for the corresponding quarter last fiscal.

(Rs. Millions)	2nd Quarter ended		% of Total Expenses		Upto the 2nd Quarter ended		% of Total Expenses	
	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007
Cost of Goods & Operations	345	259	51	50	644	511	50	49
Employee Cost	95	80	14	15	200	163	15	16
Other Expenses	231	181	34	35	453	360	35	35
Total Expenses	671	520	100	100	1,297	1,033	100	100

Condensed consolidated statement of operations

The table below presents the condensed statement of consolidated operations for Zee News Limited for the Q2 FY 2008 as compared to the like-to-like numbers for the corresponding quarter last fiscal.



ZEE NEWS LIMITED

Earnings Release for the Quarter Ended September 30, 2007

(Rs. Millions)	For the 2nd Quarter ended		% Growth	Upto the 2nd Quarter ended		% Growth
	FY 2008	FY 2007		FY 2008	FY 2007	
Operating Revenues	798	546	46	1,557	989	57
Expenditure	692	538	29	1,341	1,074	25
Operating Income	106	8	1225	216	(85)	354
Add: Other Income	4	28	(86)	5	61	(92)
Depreciation	19	13	46	36	25	44
Finance Expenses	2	4	(50)	3	37	(92)
PBT before exceptional items	89	19	368	182	(86)	312
Less: Minority Interest	(1)	(3)		(4)	(34)	
Less: Provision for Tax	34	-		72	-	
Profit After Tax	56	22	155	114	(51)	323

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 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.