



ZEE NEWS LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2008

1Q FY 09 STANDALONE REVENUES OF Rs. 1096 MILLION, UP 47.2%

1Q FY 09 STANDALONE OPERATING PROFIT OF 152 MILLION, AS AGAINST A PROFIT OF Rs. 101 MILLION IN THE CORRESPONDING QUARTER LAST FISCAL, UP 50.8%

STANDALONE NET PROFIT OF Rs. 95 MILLION, AS AGAINST Rs. 64 MILLION IN THE CORRESPONDING QUARTER LAST FISCAL UP, 49.9%

1Q FY2009 - Highlights

- ❖ Advertisement revenue was Rs 858 million for the quarter ended June 30, 2008, an increase of 44.8% as compared to the corresponding period last fiscal.
- ❖ Subscription revenue was Rs 212 million for the quarter ended June 30, 2008, an increase of 55% as compared to the corresponding period last fiscal.
- ❖ Operating profit was Rs 152 million for the quarter ended June 30, 2008, as against profit of Rs. 101 million during the corresponding period last fiscal.
- ❖ Most of the Zee News Limited channels increased their channel shares compared to the corresponding quarter last year. All channels' share of ZNL channels in the total C&S Universe grew to 4.5% in 1Q FY09 as compared to 3.8 % in the corresponding period last fiscal.
- ❖ During 1Q FY09 'Zee Kannada' and 'Zee 24 Taas' increased their GRP's by 200.0% and 127.0% respectively over the corresponding period last fiscal, while 'Zee Telugu' and 'Zee Bangla' increased their GRP by 97.5% and 16.0% respectively. Both Zee Bangla and Zee Marathi maintained their numero position in the genre.

Mumbai, India; July 24, 2008 – Zee News Limited (ZNL) today reported first quarter standalone revenues of Rs. 1096 million, representing a 47.2% growth over the corresponding quarter last fiscal. The standalone operating profit for the quarter stood at Rs. 152 million. The corresponding quarter last fiscal, showed a profit of Rs. 101 million. Profit before tax for the quarter ended June 30, 2008 was Rs 155 million while Net Profit was Rs 95 million. Consolidated operating revenues for 1Q FY 09 stood at Rs. 1127 million and consolidated operating profit was Rs. 149 million.

Zee News Limited

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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 June 30, 2008.

Commenting on the results, Mr. Subhash Chandra, Chairman said, "We are happy to see that Zee News Limited is now out - performing its stupendous success of last year. We continued to deliver strong results and recorded a healthy 46.9% growth in EBIDTA of Rs. 175 million as against Rs. 119 million in the corresponding quarter last fiscal. Both advertisement and subscription revenues have driven this growth with 44.8% and 55% growth respectively over the corresponding quarter last fiscal. New businesses comprising Zee Telugu, Zee Kannada and Zee 24 Taas performed as projected and delivered close to 170% growth in operating revenues as compared with the corresponding quarter last fiscal. Our regional properties continued to gain ground with Zee Marathi and Zee Bangla garnering higher channel share and further consolidating their No.1 position. The other existing businesses of Zee News Limited have also shown consistent growth momentum."

"Going forward with our regional expansion, we will be launching Zee Tamil and Zee Telugu News by second quarter FY 09. With the launch of these two channels, Zee News Limited will further strengthen its position in the news and regional entertainment genres," said Mr. Chandra.

Mr. Laxmi Narain Goel, Managing Director, Zee News Limited, said, "The first quarter of the current fiscal has been eventful and it is heartening to note that most of the Zee News Limited channels increased their channel share compared with the corresponding quarter last fiscal. The existing businesses continued to grow and recorded around 39% growth in operating revenues. The flagship Zee News channel which was re-launched with new look is all set to attain imagery leadership as a credible and responsible news channel. Our regional news channels, Zee 24 Taas and 24 Ghanta, gained 127% and 20% in GRPs compared with the corresponding quarter last fiscal. Amongst regional properties Zee Marathi and Zee Bangla scaled new heights while Zee Telugu and Zee Kannada are firmly on track to break even. Our sensitivity to the changing needs of viewers will continue to keep our company ahead of the pack."

Elaborating on the company's performance, Mr. Barun Das, CEO said, "Our team has done well, both in increasing our viewership share and monetizing that effectively. We are pleased to follow up the outstanding performance of 07-08 with an even better start to this fiscal. The business process re-engineering initiated by us is already yielding results as we progress. The re-launch of Zee News has started showing positive results and the channel has created a class of its own. To further drive the performance of our Hindi business channel, we are planning a re-launch of Zee Business in the coming months."

"Our focused business approach for each channel has started paying off with our all - channel share rising to 4.5 % from 3.8 % in the corresponding quarter last fiscal. Our plans of expanding in related areas of business are right on course and we are confident of coming up with pleasant surprises in each passing quarter," he added.

EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2008

Condensed Standalone Statement of Operations

The table below presents the condensed statement of operations for Zee News Limited standalone for the 1Q FY 2009 as compared to the corresponding quarter last fiscal.

(Rs. Millions)	1st Quarter ended		% Growth
	Jun-08	Jun-07	
Operating Revenues	1,095.9	744.5	47.2%
Expenditure	921.1	625.5	47.3%
EBIDTA	174.8	119.0	46.9%
Depreciation	19.3	16.3	18.4%
Finance Expenses	3.2	1.7	88.2%
Operating Income	152.3	101.0	50.8%
Add: Other Income	3.0	0.5	500%
Less: Provision for Tax	59.8	37.8	58.2%
Profit After Tax	95.5	63.7	49.9%

Revenue and Operating Profits

The table below presents a comparison of the performance of existing business V/s new business for the 1Q ended June 30, 2008.

(Rs. Millions)	1st Quarter FY 2009			1st Quarter FY 2008			Growth		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenues	972.2	123.7	1,095.9	698.6	45.9	744.5	39.2%	169.5%	47.2%
Total Expenses	629.7	291.4	921.1	451.1	174.4	625.5	39.6%	67.0%	47.3%
EBIDTA	342.5	(167.7)	174.8	247.5	(128.5)	119.1	38.3%	30.5%	46.9%
Operating Margins	35.2%	-135.6%	16.0%	35.4%	-280.0%	16.0%			

Revenue Streams

Zee News's revenues are generated primarily from advertising sales and subscription revenues. The table below will enable a better understanding of the performance of the various revenue streams for the 1Q ended June 30, 08.

(Rs. Millions)	1st Quarter ended		% of Total Revenues	
	FY 2009	FY 2008	FY 2009	FY 2008
Advertising Revenues	858.0	592.4	78.3%	79.6%
Subscription Revenues	211.7	136.5	19.3%	18.3%
Other Sales & Services	26.2	15.6	2.4%	2.1%
Total Revenues	1,095.9	744.5	100.0%	100.0%

Expenditure

Zee News's main expenses include goods and operations cost, employee cost and administrative & selling expenses. Overall, these costs in 1Q went up 47.3% as compared to the cost in the corresponding quarter last fiscal.

(Rs. Millions)	1st Quarter ended		% of Total Revenues	
	FY 2009	FY 2008	FY 2008	FY 2007
Cost of Goods & Operations	428.7	298.6	46.5%	47.7%
Employee Cost	153.6	104.4	16.7%	16.7%
Other Expenses	338.7	222.5	36.8%	35.6%
Total Expenses	921.1	625.5	100.0%	100.0%

Condensed Consolidated Statement of Operations

The table below presents the condensed consolidated statement of operations for Zee News Limited for the 1Q FY 2009 as compared to the corresponding quarter last fiscal.

(Rs. Millions)	1st Quarter ended		% Growth
	Jun-08	Jun-07	
Operating Revenues	1,127.5	758.7	48.6%
Expenditure	954.7	648.7	47.2%
EBIDTA	172.8	110.0	57.1%
Depreciation	21.0	16.3	28.8%
Finance Expenses	3.2	1.7	88.2%
Operating Income	148.6	92.0	61.5%
Add: Other Income	3.0	0.5	500%
Add / Less: Minority Interest	(1.6)	(3.6)	-
Less: Provision for Tax	60.0	37.8	58.7%
Profit After Tax	93.2	58.3	59.9%

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



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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 Gujarati, Zee 24 Taas, Zee Kannada and Zee Telugu. More information about Zee News Limited and its businesses is available at www.zeenews.com.