



ZEE NEWS LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2008

4Q FY 08 STANDALONE REVENUES OF Rs. 1102 MILLION, UP 59.7%

FY 08 FULL YEAR REVENUES Rs. 3578 MILLION, UP 52.0%

4Q FY 08 STANDALONE OPERATING PROFIT OF 246 MILLION, AS AGAINST LOSS OF Rs. 16 MILLION IN THE CORRESPONDING QUARTER LAST FISCAL, UP 16 FOLDS

4Q FY 08 OPERATING MARGIN ON THE UPSWING AND CURRENTLY STANDS AT 22.3%

STANDALONE NET PROFIT OF Rs. 153 MILLION, AS AGAINST Rs. 13 MILLION IN THE CORRESPONDING QUARTER LAST FISCAL UP TEN TIMES

4Q FY2008 - Highlights

- ❖ Advertisement revenue was Rs 860 million for the fourth quarter ended March 31, 2008, an increase of 84% as compared to the corresponding period last fiscal. For the full year FY 08, advertising revenues went up 69% to Rs. 2837 million.
- ❖ Subscription revenue was Rs 220 million for the fourth quarter ended March 31, 2008, an increase of 50% as compared to the corresponding period last fiscal. For the full year FY 08, subscription revenues went up 18.2% to Rs. 668 million.
- ❖ Operating profit was Rs 246 million for the fourth quarter ended March 31, 2008. Operating profit margin improved to 22.3%. For the full year FY 08, operating profit went up to Rs. 634 million from Rs. 34 million in the previous year.
- ❖ All channels' share of ZNL channels in the total C&S Universe grew to 4.9% in 4Q FY08 as compared to 3.9 % in the corresponding period last fiscal.
- ❖ Each one of the channels under Zee News Limited either increased or held on to their channel shares compared to the previous quarter.
- ❖ During 4Q FY08 'Zee Bangla' and 'Zee Marathi' increased their GRP's by 35.7% and 18.5% respectively over the corresponding period last fiscal, while 'Zee Telugu' and 'Zee Kannada' increased their GRP by 74.3% and 123.4% respectively. Both Zee Bangla and Zee Marathi maintained their numero position in the genre.

Zee News Limited

135, Continental Building, Dr. Annie Besant Road, Worli, Mumbai 400 018, India
Tel: +91 22 6697 1234

EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2008

Mumbai, India; April 15, 2008 – Zee News Limited (ZNL) today reported fourth quarter standalone revenues of Rs. 1102 million, representing a 59.7% growth over the corresponding quarter last fiscal. The standalone operating profit for the quarter stood at Rs. 246 million. The corresponding quarter last fiscal, showed a loss of Rs. 16 million. Profit before tax for the quarter ended March 31, 2008 was Rs 250 million while Net Profit was Rs 153 million. Consolidated operating revenues for 4Q FY 08 stood at Rs. 1131 million and consolidated operating profit was Rs. 246 million.

The Board of Directors in its meeting held today, has taken on record the un-audited financial results of Zee News Limited for the quarter ended March 31, 2008.

Commenting on the results, Mr. Subhash Chandra, Chairman said, "Zee News Limited completed the fourth quarter of FY 08 with extra ordinary strong operating profit of Rs. 246 million as against a loss of Rs. 16 million in the corresponding quarter last fiscal. This growth has been led by a significant increase in advertisement revenues, which have grown 84%. I am glad to mention that the flagship Zee News channel is constantly gaining new grounds by acquiring competitor's share of the market without losing focus from creating serious and responsible news. At the same time, increasing viewer acceptance of our content has led the other existing as well as new businesses to redefine success."

"We have always believed that the regional media market has a humongous scope of growth. It is apparent that propensity to pay for regional media consumption amongst Indians is much higher compared to National media. Regional expansion of main line media, with us leading the pack, will certainly boost the growth of advertising industry. Our vision of investing in regional properties has been right on course, the unprecedented success being enjoyed by Zee Marathi and Zee Bangla is worth mentioning here. Both the channels continue to maintain number one position in their respective genres." he added.

"Our new regional channels Zee Telugu and Zee Kannada, are steadily gaining ground against many established players. It won't be long before both these channels break even and we start monetizing the market share captured by them. We will be launching Zee Tamil by the end of July '08. There is no doubt that regional language markets are more cluttered than the Hindi market, but Zee Network can not afford not to be in these languages." said Mr. Chandra.

"Our vision, experience and expertise coupled with our superior network and drive to excel will help us deliver long term growth which will be way ahead the industry's growth rate." he added.

Mr. Laxmi Narain Goel, Managing Director - Zee News Limited, said, "This has been an eventful quarter for us with each one of the channels under Zee News Limited either increasing or holding on to their channel share compared to the previous quarter. Both existing as well as new businesses achieved excellent top line growth of 52.8 % and 153.4 % respectively as compared to the corresponding quarter last fiscal. It is our constant endeavor to deliver long term shareholder value as well as create value for our advertising partners by focusing on consumer activity and quality of content. Further, through agile strategies and an effective cost control platform we are committed to scale much higher than industry benchmarks."

EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2008

Elaborating on the company's performance, Mr. Barun Das, CEO said, "The fourth quarter saw Zee News close the gap with its next biggest competitor inspite of the overcrowded market. To further propel our growing popularity in the Hindi news genre, we have planned a high profile re launch of Zee News." With this re-launch, Zee News will be well poised to attain imagery leadership of a credible and serious news channel.

"We have judiciously planned our expenses and adopted a robust business strategy which makes us one of the most profitable news businesses in India. Our focused business approach for each channel has started paying off with our all channel share rising to 4.9 % from 3.9 % in the corresponding quarter last fiscal. We are also committed to find and implement new organic and inorganic growth strategies as well as strengthen our bouquet of regional properties and expanding presence in other key markets. Expansion in related areas of business is also on the anvil, thus we are confident of returning superior returns with each passing quarter." he added.

Condensed Standalone Statement of Operations

The table below presents the condensed statement of operations for Zee News Limited standalone for the 4Q FY 2008 as compared to the corresponding quarter last fiscal.

| (Rs. Millions) | For the 4th Quarter ended | | % Growth |
|-------------------------|---------------------------|---------------|----------------|
| | Mar-08 | Mar-07 | |
| Operating Revenues | 1,102.2 | 690.2 | 59.7% |
| Expenditure | 836.8 | 681.9 | 22.7% |
| EBIDTA | 265.4 | 8.3 | 3097.6% |
| Depreciation | 18.7 | 13.5 | 38.5% |
| Finance Expenses | 0.7 | 11.0 | (93.6)% |
| Operating Profit | 246.0 | (16.2) | 1618.5% |
| Add: Other Income | 4.3 | 37.4 | (88.5%) |
| Less: Provision for Tax | 97.6 | 8.1 | 1205.0% |
| Profit After Tax | 152.7 | 13.1 | 1065.6% |

* Includes Pre Launch Expenses of **Zee Tamil** to the tune of Rs 13.9 million (To be launched in July 08)

Revenue and Operating Profits

The table below presents a comparison of the performance of existing business V/s new business for the 4Q ended March 31, 2008.

| (Rs. Millions) | 4th Quarter FY 2008 | | | 4th Quarter FY 2007 | | | Growth | | |
|----------------|---------------------|----------------|--------------|---------------------|----------------|------------|---------------|--------------|----------------|
| | Existing | New | Total | Existing | New | Total | Existing | New | Total |
| Total Revenues | 982.6 | 119.6 | 1,102.2 | 643.0 | 47.2 | 690.2 | 52.8% | 153.4% | 59.7% |
| Total Expenses | 616.6 | 220.2 | 836.9 | 481.9 | 200.0 | 681.9 | 28.0% | 10.1% | 22.7% |
| EBIDTA | 366.0 | (100.7) | 265.3 | 161.1 | (152.8) | 8.3 | 127.2% | 43.3% | 3096.3% |

EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2008

Table below presents the figures for the full year ended March 31, 2008.

| (Rs. Millions) | Upto 4th Quarter FY 2008 | | | Upto 4th Quarter FY 2007 | | | Growth | | |
|----------------|--------------------------|----------------|--------------|--------------------------|----------------|--------------|--------------|-------------|---------------|
| | Existing | New | Total | Existing | New | Total | Existing | New | Total |
| Total Revenues | 3,280.4 | 297.8 | 3,578.2 | 2,200.4 | 156.9 | 2,357.3 | 49.1% | 89.8% | 51.8% |
| Total Expenses | 2,074.0 | 795.8 | 2,869.8 | 1,548.8 | 675.5 | 2,224.4 | 33.9% | 17.8% | 29.0% |
| EBIDTA | 1,206.4 | (498.0) | 708.4 | 651.6 | (518.6) | 132.9 | 85.2% | 4.0% | 432.9% |

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 4Q ended March 31, 08 and the full year ended March 31, 2008.

| (Rs. Millions) | 4th Quarter ended | | % of Total Revenues | | Upto the 4th Quarter ended | | % of Total Revenues | |
|------------------------|-------------------|--------------|---------------------|---------------|----------------------------|----------------|---------------------|---------------|
| | FY 2008 | FY 2007 | FY 2008 | FY 2007 | FY 2008 | FY 2007 | FY 2008 | FY 2007 |
| Advertising Revenues | 859.8 | 467.0 | 78.0% | 67.7% | 2,836.8 | 1,678.3 | 79.3% | 71.2% |
| Subscription Revenues | 219.8 | 147.0 | 20.0% | 21.3% | 667.5 | 564.9 | 18.7% | 24.0% |
| Other Sales & Services | 22.6 | 76.2 | 2.0% | 11.0% | 73.9 | 114.1 | 2.0% | 4.8% |
| Total Revenues | 1,102.2 | 690.2 | 100.0% | 100.0% | 3,578.2 | 2,357.3 | 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 4Q went up 20.7% as compared to the cost in the corresponding quarter last fiscal.

| (Rs. Millions) | 4th Quarter ended | | % of Total Revenues | | Upto the 4th Quarter ended | | % of Total Revenues | |
|----------------------------|-------------------|--------------|---------------------|---------------|----------------------------|----------------|---------------------|---------------|
| | FY 2008 | FY 2007 | FY 2008 | FY 2007 | FY 2008 | FY 2007 | FY 2008 | FY 2007 |
| Cost of Goods & Operations | 457.3 | 371.0 | 54.6% | 54.4% | 1,464.3 | 1,145.9 | 51.0% | 51.5% |
| Employee Cost | 120.1 | 93.0 | 14.4% | 13.6% | 418.9 | 343.6 | 14.6% | 15.4% |
| Other Expenses | 259.5 | 217.9 | 31.0% | 32.0% | 986.4 | 734.9 | 34.4% | 33.1% |
| Total Expenses | 836.8 | 681.9 | 100.0% | 100.0% | 2,869.6 | 2,224.4 | 100.0% | 100.0% |

EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2008

Condensed Consolidated Statement of Operations

The table below presents the condensed consolidated statement of operations for Zee News Limited for the 4Q FY 2008 as compared to the corresponding quarter last fiscal.

| (Rs. Millions) | For the 4th Quarter ended | | % Growth | Upto the 4th Quarter ended | | % Growth |
|-------------------------------|---------------------------|---------------|----------------|----------------------------|---------------|----------------|
| | Mar-08 | Mar-07 | | Mar-08 | Mar-07 | |
| Operating Revenues | 1,130.7 | 710.6 | 59.1% | 3,670.6 | 2,405.1 | 52.6% |
| Expenditure | 863.0 | 719.8 | 20.0% | 2,966.7 | 2,328.1 | 27.4% |
| EBIDTA | 267.7 | (9.2) | 3009.8% | 703.9 | 77.0 | 814.1% |
| Depreciation | 21.0 | 14.3 | 46.9% | 75.7 | 52.1 | 45.3% |
| Finance Expenses | 0.7 | 11.1 | (93.7%) | 5.8 | 51.1 | (88.7%) |
| Operating Profit | 246.0 | (34.6) | 811.0% | 622.4 | (26.2) | 2475.6% |
| Add: Other Income | 4.3 | 37.5 | (88.5%) | 10.8 | 130.6 | (91.7%) |
| Add / Less: Minority Interest | 0.1 | (7.3) | - | (4.8) | (16.5) | - |
| Less: Provision for Tax | 97.3 | 8.1 | 1101.2% | 242.8 | 46.2 | 425.5% |
| Profit After Tax | 152.9 | 2.1 | 7181.0% | 395.2 | 74.7 | 429.0% |

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 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.