



## ZEE NEWS LIMITED

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### EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2007

**3Q FY08 STANDALONE REVENUES OF Rs. 955 MILLION, UP 38.6 %**

**3Q FY08 STANDALONE OPERATING PROFIT OF Rs. 219 MILLION, UP 16.4 %**

**STANDALONE NET PROFIT OF Rs. 128 MILLION**

#### **3Q FY2008 - Highlights**

- ❖ Advertisement revenue was Rs 777 million for the third quarter ended December 31, 2007, an increase of 48.8% on a like-to-like basis compared to 3Q FY07.
- ❖ Subscription revenue was Rs 161 million for the third quarter ended December 31, 2007, an increase of 7.6% as compared to the previous quarter of this fiscal.
- ❖ Operating profit was Rs 219 million for the third quarter ended December 31, 2007, as against profit of Rs 188 million during the corresponding quarter last year.
- ❖ The share of ZNL channels in the total C&S Universe grew to 4.2% in 3Q FY08 as compared to 3.4% in the corresponding quarter last fiscal.
- ❖ During 3Q FY08 'Zee Bangla' and 'Zee Marathi' increased their GRP's by 49.4% and 23.3% respectively over the corresponding quarter last fiscal, while 'Zee Telugu', 'Zee Kannada' and '24 Ghanta' increased their GRP by 92.6%, 22.8% and 86.2% respectively.

**NOIDA, India; January 25, 2008** – Zee News Limited (ZNL) today reported third quarter standalone revenues of Rs. 955 million, representing a 38.6% growth over the corresponding quarter last fiscal on like to like basis. The standalone operating profit for the quarter stood at Rs. 219 million. The corresponding quarter last fiscal, showed a profit of Rs. 188 million on a like-to-like basis. Profit before tax for the quarter ended December 31, 2007 was Rs 201 million while Net Profit was Rs 128 million, recording a growth of 124% over the previous quarter of this fiscal. Revenue up to the nine months period ended Dec. 31, 2007 stood at Rs. 2,475 million and operating profit was Rs. 443 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 December 31, 2007.

Commenting on the results, Mr. Subhash Chandra, Chairman said, "Zee News Limited has delivered a laudable third quarter performance with a growth of 38.6% in operating revenues compared to the corresponding quarter. This growth has been led by a substantial increase in advertisement revenues,

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## EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2007

which have grown 48.8%. The Zee News channel deserves special mention given the excellent revenue and viewership performance in the quarter. Zee Marathi maintained its leadership position, while Zee Bangla attained the number one position in the third quarter. Channels under the New Business comprising Telugu, Kannada and 24 Taas have done very well, with Zee Telugu and Zee Kannada registering a GRP growth of 93% and 23% respectively. With rapid transformation in the Indian media via digitization, the coming years hold a lot of promise, and we are confident of delivering long term shareholder value."

Mr. Laxmi Narain Goel, Managing Director - Zee News Limited, said, "The quarter witnessed a sound growth in all our channels. Our flagship channel, Zee News continued to grow in revenue in this over crowded genre, which is still attracting new players. Zee News remains the only pay channel in the Hindi news channel genre. The other existing businesses of Zee News Limited have also shown consistent growth, with Zee Bangla attaining the number one position. Our efforts to add value to the content of Zee Telugu, has paid off, with the channel achieving encouraging ratings during the third quarter. Overall, the results have been very satisfactory with the revenues of both existing as well as New Businesses registering a growth of 37.8% and 50.6 % respectively."

Elaborating on the company's performance, Mr. Barun Das, CEO said, "Our tremendous revenue growth is doubly encouraging given that 8 of our 9 channels are Pay channels. In addition, the pay channels have continued to grow in viewer ship as well, which will result in further revenue enhancement. Our future strategy would be to have a focused business approach for every channel, which will certainly enhance growth potential. With a slew of initiatives, we have been able to achieve both our top and bottom line targets. We are committed to scale much higher than industry benchmarks for the next quarter as well," he added.

### Condensed Standalone Statement of Operations

The table below presents the condensed statement of operations for Zee News Limited standalone for the 3Q FY 2008 as compared to the like-to-like numbers for the corresponding quarter last fiscal.

(Rs. Millions)	For the 3rd Quarter ended		% Growth YoY
	* Dec-07	Dec-06	
Operating Revenues	955.3	689.1	38.6
Expenditure	736.2	500.8	47.0
<b>Operating Income</b>	<b>219.1</b>	<b>188.3</b>	<b>16.4</b>
Add: Other Income	2.1	29.3	-
Depreciation	18.2	11.1	64.0
Finance Expenses	1.9	0.8	137.5
PBT before exceptional items	201.1	205.7	(2.2)
Less: Exceptional Items	-	-	-
Less: Provision for Tax	72.7	56.8	28.0
<b>Profit After Tax</b>	<b>128.4</b>	<b>148.9</b>	-

\* Includes losses from **Zee 24 Taas** of Rs. 30.1 million (Launched in Feb' 07)

## EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2007

### 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 3rd quarter ended December 31, 2007.

(Rs. Millions)	For 3rd Quarter FY2008			For 3rd Quarter FY2007			Growth %		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenues	885.4	69.9	955.3	642.7	46.4	689.1	37.8	50.7	38.7
Total Expenses	528.6	207.6	736.2	379.3	121.5	500.8	39.4	70.9	47.0
<b>Operating Profit</b>	<b>356.8</b>	<b>(137.7)</b>	<b>219.1</b>	<b>263.4</b>	<b>(75.1)</b>	<b>188.3</b>	<b>35.5</b>	<b>NA</b>	<b>16.4</b>

Table below presents the figures for the nine months period ended December 31, 2007.

(Rs. Millions)	Upto 3rd Quarter FY2008			Upto 3rd Quarter FY2007			Growth %		
	Existing	New	Total	Existing	New	Total	Existing	New	Total
Total Revenues	2,297.8	178.1	2,475.9	1,555.7	109.7	1,665.4	47.7	62.3	48.7
Total Expenses	1,457.4	575.5	2,032.9	1,067.8	466.3	1,534.1	36.5	23.4	32.5
<b>Operating Profit</b>	<b>840.5</b>	<b>(397.4)</b>	<b>443.1</b>	<b>487.9</b>	<b>(356.6)</b>	<b>131.3</b>	<b>72.3</b>	<b>NA</b>	<b>237.5</b>

### Revenue Streams

Zee News'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 3rd quarter and nine months period ended December 31, 2007.

(Rs. Millions)	3rd Quarter		% of Total Revenues		Upto 3rd Quarter		% of Total Revenues	
	FY08	FY07	FY08	FY07	FY08	FY07	FY08	FY07
Advertising Revenues	776.8	522.2	81.3	75.8	1,977.0	1,213.2	80.0	72.8
Subscription Revenues	161.3	155.5	16.9	22.6	447.6	416.0	18.0	25.0
Other Sales & Services	17.2	11.4	1.8	1.6	51.4	36.2	2.0	2.2
<b>Total Revenues</b>	<b>955.3</b>	<b>689.1</b>	<b>100</b>	<b>100</b>	<b>2,476.0</b>	<b>1,665.4</b>	<b>100</b>	<b>100</b>

### Expenditure

Zee News's main expenses include goods and operations cost, employee cost and administrative & selling expenses. Overall, the costs in 3rd quarter went up 47% on alike-to-like basis compared to the figures for the corresponding quarter last fiscal.

(Rs. Millions)	3rd Quarter		% of Total Expenses		Upto 3rd Quarter		% of Total Expenses	
	FY08	FY07	FY08	FY07	FY08	FY07	FY08	FY07
Goods & Operations Cost	363.1	246.3	49.3	49.1	1,007.0	757.5	49.5	49.4
Employee Cost	100.4	87.9	13.7	17.6	300.1	250.4	14.8	16.3
Other Expenses	272.7	166.6	37.0	33.3	725.8	526.2	35.7	34.3
<b>Total Expenses</b>	<b>736.2</b>	<b>500.8</b>	<b>100</b>	<b>100</b>	<b>2,032.9</b>	<b>1,534.1</b>	<b>100</b>	<b>100</b>

**Condensed Consolidated Statement of Operations**

The table below presents the condensed consolidated statement of operations for Zee News Limited for the 3Q FY 2008 as compared to the like-to-like numbers for the corresponding quarter last fiscal.

(Rs. Millions)	3rd Quarter		% Growth	Upto 3rd Quarter		% Growth
	FY08	FY07		FY08	FY07	
Operating Revenues	983.1	707.0	39.0	2,539.9	1,696.2	49.7
Expenditure	763.0	529.7	44.0	2,103.7	1,603.7	31.2
<b>Operating Income</b>	<b>220.1</b>	<b>177.3</b>	<b>24.0</b>	<b>436.2</b>	<b>92.5</b>	<b>371.6</b>
Add: Other Income	1.9	29.3	(93.5)	6.4	90.6	(93.0)
Depreciation	19.2	10.4	84.6	54.7	35.4	54.5
Finance Expenses	1.9	2.4	(20.8)	5.1	39.6	(87.0)
PBT before exceptional items	200.9	193.8	<b>3.7</b>	382.8	108.1	<b>254.1</b>
Less: Minority Interest	(0.4)	(6.1)	-	(4.9)	(16.9)	-
Less: Provision for Tax	73.6	57.5	28.0	145.5	57.5	153.0
<b>Profit After Tax</b>	<b>127.7</b>	<b>142.4</b>	<b>(10.3)</b>	<b>242.2</b>	<b>67.5</b>	<b>259.0</b>



**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](http://www.zeenews.com).