



Educating generations. Entertaining lives.



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Wise men say that life is all about balance. Balance between thoughts and action. Between Creativity and Logic. Mind and the soul. Education and Entertainment. Because you cannot live by one alone. It is not just enough that you expand the horizons of the mind. You need to inspire the soul as well. And vice versa.

The great thing about us is that we do both. Empowering People and Transforming Lives.

ETC Networks Limited is perhaps the only company in India that is successfully straddling two diverse yet critically important avenues of growth. Education and Entertainment. In India's high growth economy, the opportunity for both is huge. India's middle class is growing rapidly with rising per capita income and an increasing emphasis on education. The Entertainment and Media industry is growing at a rate faster than the GDP and is expected to continue to do so for the next several years.

We run India's number 1 chain of pre-schools, Kidzee which has a presence in more than 270 cities across the country. Incessant demand from parents as well as business partners motivated us to extend our unique learner-centric pedagogy to K-12 schools as well as vocational training centres for creative and media arts. Thus, our bouquet of services now includes something for everyone-right from toddlers to teens to youth. We take immense pride and satisfaction in the fact that our work gives us the opportunity to Improve Human Capital.

We are also in the business of stirring dreams. The Company caters to the basic human need for entertainment through ETC Networks television channels. ETC Hindi, a perfect amalgamation of Bollywood, music and entertainment, is a leading channel in the Indian film entertainment industry. ETC Punjabi, our Punjabi general entertainment channel has been a market leader among Punjabi channels for the past 8 years, ever since it was launched. But for us, it is not just about Bollywood and Punjabi channels. We believe that our broadcasting division makes a holistic contribution to human lives, enabling us to uplift the human spirit.

Education and Entertainment are the twin engines powering our growth.

ETC Networks Limited is committed to Educating Generations, Entertaining Lives.



Message from the Chairman



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Dear Shareholders,

It gives me great pleasure to present before you the annual results of ETC Networks Limited for 2007-2008. This is the first time that ETC Networks is presenting its results in its new avatar.

We have been constantly on the lookout to create shareholder value and in this pursuit, during the year under review, the erstwhile ETC Networks Ltd was merged into Zee Interactive Learning Systems Limited (ZILS) and the merged entity was named ETC Networks Ltd. This was done to enable both companies to expand their operations, leverage on each other's strengths and create a more robust business entity. Subsequent to the merger, the business will benefit from tremendous synergies in technology, infrastructure and capital.

In the year under review, your company delivered Revenue of Rs. 819.9 million and EBITDA of Rs. 207.5 million. Going forward, the Purpose of the Company will

be: Educating Generations, Entertaining Lives. Our Vision is that by 2013, we will help 1 million students achieve their true, unique potential with our education offerings.

ETC Channels - Punjabi and Music - will continue to entertain lives with great music and Bollywood news. Through strategic planning and investment your Company expects to raise the level of content, generate higher domestic and international viewership, and garner more revenues.

Industry Outlook

The Indian education sector has undergone a sea change in the recent past. The focus has shifted from the public sector to the private sector providers.

Indian Education needs a quantum leap in the quality of pedagogy and a deeper penetration of quality institutes. Every year, there are close to 10 million children passing school in search of a bright future. But the question is: How many of them have gained real understanding? How



many of them have realised their unique potential? The sad truth is that we create rote learners who have been dulled into conformity. We aim to change this with our interventions in schools and pre-schools.

Indian Media and Entertainment industry is in the throes of explosive growth. Economic growth is a major moving force as advertisers rush to engage with a more prosperous India. Added to this is the explosion of Bollywood with the advent of Corporate Production houses and Multiplexes. Both these trends augur well for the ETC Entertainment division.

The Television Industry is one of the leading sectors in India today. Studies indicate that the industry is expected to grow at a compound annual rate of 22 per cent over the next five years. Consequently, the television ad industry is expected to grow from the present Rs 6,600 crore to Rs 12,300 crore by 2011, a 13 per cent cumulative annual growth over five years. Market studies have also

predicted a significant increase in the ad spend on regional channels. Your company will continue to endeavour to strengthen ETC channels to ensure that it gains maximum benefit from the prevailing favourable market condition.

The company is continuously striving to build an organisation which will meet the expectations of all its stakeholders in terms of sustained competitiveness in business, efficient use of capital and high standard of corporate governance. Our commitment is to strengthen and guard our business with a long term vision.

We are off to a positive start in 2008-09 and are confident of sustaining the growth momentum.

With Best Wishes,

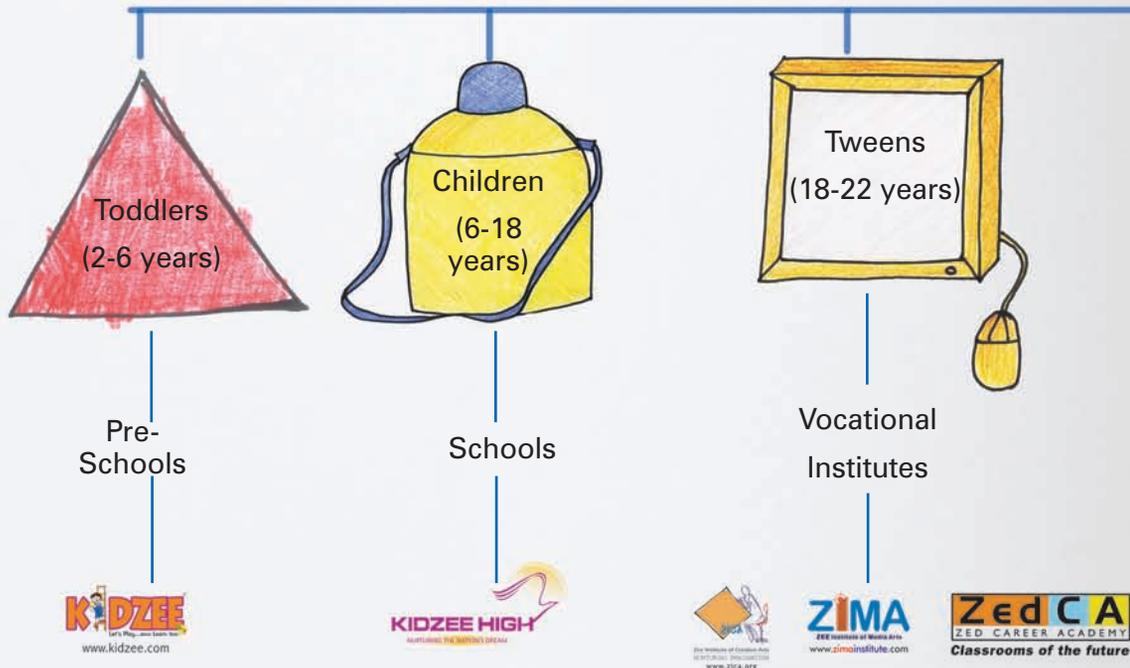
Subhash Chandra
Chairman

Improving Human Capital

Our Education Division-Zee Interactive Learning Systems



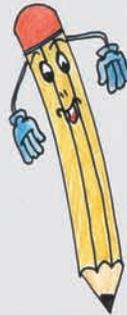
Zee Interactive Learning Systems is the education arm of ETC Networks Limited. An ISO 9001 certified division, it is a leading education and training services provider in the country. We cater to a wide section of the population, right from toddlers to tweens and this drives us to push our boundaries. We enable the generations of tomorrow to realize their unique potential through quality education and development.





Vision

To help 1 million students achieve their unique potential by 2013.



KIDZEE HIGH

- Probably, the only school chain in India with Integrated Learner Centric Education
- K-12 schools-Primary, Middle, Secondary, Senior Secondary
- CBSE curriculum
- Consulting 15 schools across India in just two years
- Rigorous teacher training
- Continuous quality monitoring



KIDZEE

- India's No.1 chain of pre-schools
- More than 550 pre-schools in just 4 years!
- More than 25,000 children
- Across 275 cities in India, 5 locations in Asia
- Added 160 new Kidzee centres in FY08
- Child centric methodology
- Rigorous teacher training
- Age-appropriate play and learn equipment
- Continuous quality monitoring
- Only pre-school in India that takes care of children with different learning abilities via Child Behaviour and Assessment Report (CBAR)

VOCATIONAL TRAINING INSTITUTES

- Zee Institute of Creative Arts (ZICA)
 - premier animation institute
 - providing Diploma in Animation & Film Making, Diploma in Digital Arts
 - creating animation industry leaders for over a decade
 - accredited with the making of the world's largest animation film "Bhagmati-Queen of Fortune"
- Zee Institute of Media Arts (ZIMA)
 - a state-of-the-art Film and TV academy
 - providing Diploma courses in Direction, Acting, Sound, Editing, Production, Cinematography
 - Introduced India's first Autodesk media and entertainment training centre
- Zee Education Career Academy (ZedCA)
 - Provides IT training
 - More than 50 ZedCA centres across the country

ETC Hindi-Bollywood ka asli hisaab kitaab

Our Entertainment Division-ETC Networks

ETC Hindi is a leading channel in the Indian film entertainment industry. Launched in August 1999, ETC Hindi has made a name for itself as a channel that brings viewers the entire lowdown of the film business from the trade perspective. It is playing an increasingly significant role in the development of the industry and serves as a credible avenue for the sharing of information, ideas and resources.

With no competition in its genre, ETC Hindi is also the only

channel that serves the film fraternity as well as the general public. Several leading film personalities have regularly graced the channel. Pop Ki Andhi, Kahani Kismat Ki, Rising Star, Hot Shot, Star Giraftar, Chit Chat, Unscene and It's My Pasand are some of the most popular shows. In the last one year, the channel showcased two exclusive interactive shows - B-Bizz and Bol Bachhan.

B-Bizz

- Trade analysis programme about the news and business of Bollywood
- Hosted by renowned film expert Taran Adarsh
- Movie previews
- No-holds-barred interviews
- Straight forward, honest reviews
- Ratings of the week's releases
- True account of box office collections

Bol Bachhan

- A show on the lighter vein
- Humorous outlook on films
- Spoofs and skits
- Laugh riot with Suresh Menon



ETC Punjabi-Dil Apna Punjabi

Our Entertainment Division-ETC Networks

Ever since its inception 8 years ago, ETC Punjabi has been the leading Punjabi general entertainment channel across the world. Launched in 2000, the channel achieved category leadership within 4 months of its launch.

Innovation is the secret

behind the channel's success. ETC Punjabi has consistently offered new and unique genres of programmes to its viewers. These include:

- Innovative game show Aviva Ghar Ghar Wich Lakpati
- Beauty pageant Ms. Punjabi
- Dance talent show Nachle Yaara
- International events-Auckland Rocks Punjabi Style in New Zealand and World Baisakhi Nite in Abu Dhabi and Dubai



ETC Punjabi Music Awards have been our crowning glory over the last five years. Every Punjabi's answer to the Grammys, Punjabis across the world look forward to this event with eagerness. This year, the ceremony was held on 18th March, 2008 at Jalandhar and was anchored by Shekhar Suman and Mona Singh. As usual, it was a stupendous success.



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Corporate Information

Board of Directors

Subhash Chandra	Chairman
V. V. Ranganathan	Independent Director
Prof. R. S. Jangid	Independent Director
Dr. Manish Agarwal	Independent Director
Punit Goenka	Director
Sumeet Mehta	Whole Time Director

Company Secretary

Rahul Neogi

Senior Management Team

Deepak Bondre	Chief Financial Officer
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Entertainment Division

Irshwin Balwani	Business Head – Etc Music
Rajjee Shinde	Business Head - Etc Punjabi
Sam Mall	Sr. Vice President – National Sales, Etc Punjabi
Mitesh Patel	Vice President – Broadcast & Post Production.

Education Division

Gauri Tandle	Chief Financial Officer
Ashish Deb	Sr. Vice President, National Sales
S. Mukundan	Sr. Vice President, Strategy & Research
Nitya Ramaswamy	General Manager, Academics
Swati Kundan Sinha	General Manager, Human Resources
Naveen Kundu	Asst. Vice President, Kidzee High

Auditors

M/s MGB & Co.

Chartered Accountants

Solicitors

Thakore Jariwala & Associates, Mumbai

Niraj Malhotra & Associates, Delhi

Registered Office

Continental Building,

135, Dr. Annie Besant Road, Worli,

Mumbai – 400 018, India.

Corporate Office

Education - 3rd Floor, Valecha Chambers, Plot No. B-6,

Andheri Link Road, Andheri (W), Mumbai 400 053

Tel: +91-22-2674 3900 Fax: +91-22-2674 3422

Broadcasting - 7B, Shah Industrial Estate,

Off Veera Desai Road, Andheri (W), Mumbai 400 053

Tel: +91-22-6781 3737 Fax: +91-22-2673 2030

Bankers

ICICI Bank Ltd

HDFC Bank Ltd

Axis Bank Ltd

Standard Chartered Bank

State Bank of India

BNP Paribas

Indusind Bank

Registrars and Transfer Agents

Sharepro Services (India) Pvt. Ltd.

Satam House, 3rd Floor, Cardinal Gracias Road,
Chakala, Andheri (East), Mumbai 400 099.

Tel : +91-22-6772 0300 Fax : + 91-22-2837 5646

Email : sharepro@shareproservices.com