



ZEE NEWS LIMITED
Inform, Entertain, Empower.







INFORM. ENTERTAIN. EMPOWER.

News... a phenomenon that is continuous, global and all pervasive. What is the latest news one minute is stale the next. What is big news for one can be a trivial for the other. Local and global, scientific and superstitious, serious and funny, path-breaking and banal... news keeps happening all the time. The challenge lies in capturing it at the right time, in the right context and with responsibility.

In keeping with its mission to conduct a fair and informed discourse on the issues affecting regional aspirations, Zee News Limited has set up a chain of regional News & Entertainment channels. This bouquet offers covers the concerns and issues as well as the rich culture, heritage and language of various regions.

Zee News Limited is a company that has taken up this mission in earnest and has set itself the objective: **INFORM. ENTERTAIN. EMPOWER.** It has channelised rich experience, state-of-the-art technology and sharp viewer understanding to bring the best programming, impressive talent and high quality to millions of viewers all over the world.

MISSION

To be India's pre-eminent provider of news and regional entertainment content to viewers belonging to all regions and linguistic denominations.

And by engaging audiences in their native language through a mix of news and entertainment to truly

"Inform. Entertain. Empower." the people of India and in doing so provide value to advertisers.

As a corporation, we will be profitable, productive, creative, trend setting and financially sound with care and concern for all stakeholders.

OUR VALUES

Customer Focus:

Our company's strategies are driven by the needs of the customer. Our success can be measured by the satisfaction achieved by our customers.

Excellence:

We accord a high premium to maintaining superlative standards throughout our company. We encourage our employees to come up with smarter ideas within the fastest possible time.

Creativity:

The key to our value system is innovation and originality. We recognise and have a high regard for individual expression and creative freedom in our quest to provide customer satisfaction.

Integrity:

We observe strict ethical standards through editorial independence and creative expression in order to earn the trust of our viewers and subscribers.

Growth Driven:

We are committed to delivering consistent revenue and cash flow growth in order to provide our shareholders a good return. Our objective is to grow our people, markets and businesses around the world.

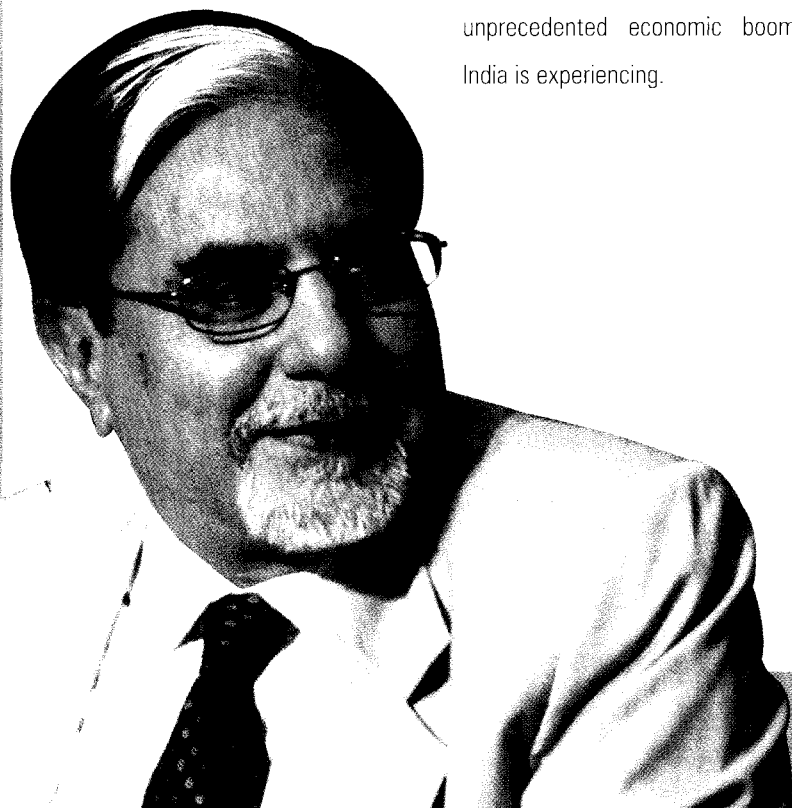
CHAIRMAN'S STATEMENT

Dear Shareholders,

It gives me great pleasure to present before you the annual results of Zee News Limited for 2006-2007. This is the first occasion that Zee News Limited has reported its annual results as an independent, listed entity. Zee News Limited, with its unique focus on reaching out to audiences across the country through a powerful combination of news and regional entertainment, is uniquely positioned to ride the unprecedented economic boom that India is experiencing.

Economic Outlook

As one of the early believers in the immense potential of India, the recent strides made by the Indian economy are a source of great delight and pride. Double-digit GDP growths now look possible for the next few years and a one trillion dollar economy is within striking distance. Structural changes in the economy now seem to have pushed our country on an irreversible path to progress and prosperity. Proactive and bespoke government policies, increasing private-public partnerships, a focus on infrastructure creation and poverty alleviation will carry the benefits of economic growth to many more millions in the coming years. Global investors have now recognised that the giant is moving with never-before momentum, and are aggressively seeking investment opportunities in India, thereby making capital available that will take India forward. The future is India's for the taking.



News and regional entertainment are among the fastest growing segments. Zee News is uniquely poised to make the future count.

Industry Outlook

The Indian Media and Entertainment industry is in the throes of explosive growth and a major technological revolution. The Rs.450 billion industry grew by 20% last year and prospects are bright for high growth in the future. The Indian television industry with a size of Rs.190 billion grew by 19% last year and continued to contribute the largest share as in the past. Economic growth is a major moving force for this growth as advertisers rush to engage with a more prosperous India. With advertising to GDP ratios in India leaving enough headroom for growth, clearly the future of the broadcast industry shines bright.

Further, the electronic media industry is passing through an exciting phase of major technological changes. The move to digitalization and addressability has spawned new platforms like Direct-to-Home (DTH), digital cable, mobile and IPTV, creating an ever-increasing demand for content. These changes are expected to significantly add to the revenues of the broadcast industry in future years.

Looking ahead

Economic growth and prosperity is throwing up huge opportunities for strong players in the media and entertainment industry. News and regional entertainment are among the fastest growing segments in this industry. Your company is in the possession of powerful, genre-leading properties and is uniquely poised to make the future count. Your company's unique and powerful content also places it in an advantageous position as far as garnering subscription revenues in a digitalized and addressable environment is concerned.

We have got off to a positive start in 2007-08 and are confident of sustaining the growth momentum.

With Best Wishes,

Subhash Chandra
Chairman



LETTER FROM MANAGING DIRECTOR

Dear Shareholders,

The year 2006-07 has been an outstanding and landmark year for your Company as during this year, your Company has emerged as an independent and listed entity. Zee News Limited, with its unique focus on reaching out to audiences across the country through a powerful combination of news and regional entertainment, is uniquely positioned to ride the unprecedented economic boom that India is experiencing.

Corporate restructuring

Pursuant to the Scheme of Arrangement approved by the Hon'ble Bombay High Court vide Order dated 17.11.2006, News and Regional news bearing channels of Zee Entertainment Enterprises Limited (formerly Zee Telefilms Limited) de-merged into Zee News Limited. Subsequently, the Company got listed at the Bombay Stock Exchange, National Stock Exchange & Calcutta Stock Exchange where the shares of the company are traded. We feel highly encouraged by the excellent investor response. Subsequent to the corporate restructuring exercise, your Company has a powerful portfolio of

properties catering to various genres and regional audiences. Zee News Limited now comprises Zee News, Zee Business, Zee 24 Taas, Zee Punjabi, Zee Bangla, Zee Gujarati, Zee Marathi, Zee Telugu and Zee Kannada channels. Your Company holds a 60% stake in Zee Akash News Private Limited, which operates 24 Ghanta, a leading Bangla news channel.

Review of performance

During 2006-07, based on a like to like comparison post the restructuring, the consolidated revenue of the company grew by 44% to Rs. 2,405.12 million. The advertisement revenue grew by 51% to Rs.1,705.84 million while subscription revenue grew by 24% to Rs. 584.66 million. The Company's operating profit grew to Rs. 76.59 million from Rs. 2.8 million in the previous year. Profit after Tax for the company stood at Rs. 74.40 million. The highlight of the year was the sterling performance of 'Zee Marathi' and 'Zee Bangla', both of which finished the year as the leaders in their respective genres. Zee News continued to maintain its ratings in the



Zee News continued to maintain its ratings in the face of stiff competition in the Hindi news genre.

face of stiff competition in the Hindi news genre. 24 Ghanta, within the first year of its launch made a strong bid for leadership and has won wide acceptance for its quality Bengali news programming. During the last quarter of 2006-07 your Company reinforced its image as a pioneer in the news business by launching the country's first 24X7 Marathi news channel '24 Taas'. The year also saw your Company expand its presence in the key South Indian market with the launch of Zee Kannada.

Corporate Governance

Your Company is in full compliance with the Corporate Governance Code laid down by SEBI and stock exchanges. In order to further strengthen the corporate governance measures three independent Directors have been inducted in the Board. The Company looks to the Board of Directors for their constant guidance & encouragement.

People

A large part of the success of your Company is owed to its employees, many of whom are leading lights of the industry. Your Company

believes in spotting and nurturing talent, imparting quality training and supervision and above all creating an environment of opportunity. During 2006-07 as part of a group-wide exercise, the Company engaged Hay Group, a reputed HR consulting firm, to undertake a Human Resource Transformation initiative in the organisation. The objective of the exercise was to redesign the organisation structure of the business befitting company's vision and growth aspirations and establish robust HR processes within the structure in order to realise the human capital to the hilt.

We expect that the company will achieve far reaching results from the exercise.

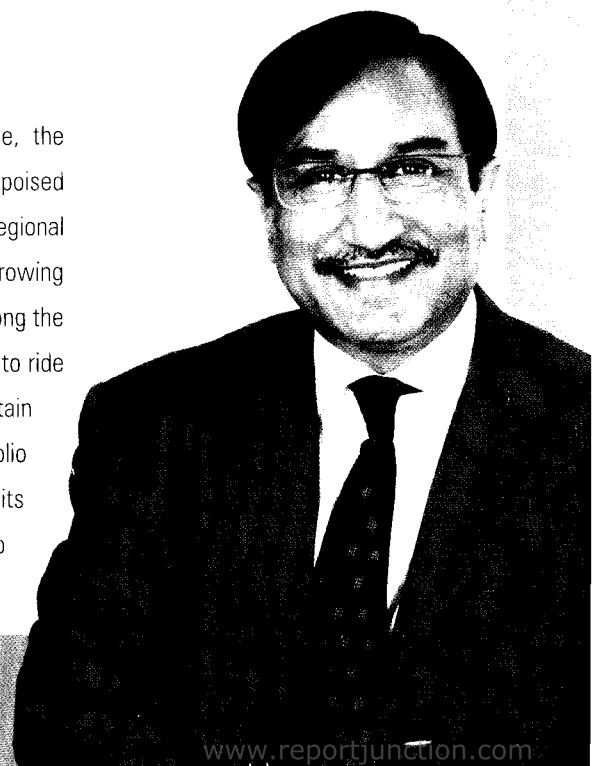
Looking ahead

With GDP growths in the 9% range, the Media and Entertainment industry is poised for a very bright future. News and regional entertainment are among the fastest growing segments in this industry and are among the genres that are favourably positioned to ride the explosive growth phase. I am certain that your Company's impressive portfolio of channels, its "Zee" heritage and its pool of talented people will enable it to

rise to the top. Your Company's unique and powerful content also places it in an advantageous position as far as garnering subscription revenues in a digitalized and addressable environment is concerned. The start to 2007-08 has been an encouraging one, and we hope to continue our solid growth momentum in the months to come.

With Best Wishes,

Laxmi N. Goel
Managing Director



CAPTURE CLASSIC MOMENTS

News that touch your hearts, that make you proud and those that set milestones in time...Zee News captured the world's special moments for millions of excited viewers globally.



Riyo Mori of Japan gets crowned
Miss Universe 2007



Sachin Tendulkar scores his record-making
40th ODI Century



Maria Sharapova's US Open triumph