



Zee Entertainment Enterprises Limited
Quarter One Earnings Conference Call - Financial Year 2008-2009
July 25, 2008

Moderator: Good afternoon ladies and gentlemen. I am Sandhya, the moderator for this conference. Welcome to the Zee Entertainment Enterprises Limited Conference Call. For the duration of the presentation, all participants' lines will be in the listen-only mode. I will be standing by for the question and answer session. I would like to hand over to Mr. Hitesh Vakil. Thank you and over to you sir.

Hitesh Vakil: Good afternoon and good evening ladies and gentlemen and thank you for joining us today to discuss the results for the quarter ended June 30th 2008, which is the first quarter for the fiscal year 2009. We do hope that you had a chance to go through the earnings release and a copy of the results, both of which are uploaded on our website www.zeetelevision.com. This is the first earnings call we are conducting for Zee Entertainment Enterprises Limited for fiscal year 2009 and to discuss the results and performances, joining me today Mr. Subhash Chandra, Chairman, Zee Entertainment Enterprises Limited and member of senior management team of the Company including Mr. Punit Goenka, Whole Time Director and CEO and Mr. Sanjay Jain, President, Finance of Essel Group. We will start with a brief statement from Mr. Chandra on the first quarter performance and then we will open the discussion for question and answers. I would like to remind everybody that anything we say during this call that refers to our outlook for the future is a forward-looking statement that must be taken in the context of the risk that we face. With this, I now hand over to Mr. Subhash Chandra, Chairman.

Subhash Chandra: Thank you Hitesh. Good afternoon and good evening ladies and gentlemen and thank you for joining us today to discuss the results of the quarter ended June 30th 2008, which is the first for the fiscal year 2009. We have recorded a robust 38% growth in operating revenues, which is led by advertising revenue growth of 37% and subscription revenue growth of 28%. Despite intensifying competition in TV broadcasting arena, the Company has displayed strong resilience in its TV ratings leading to handsome advertising revenue growth. We believe that going ahead, even in the event of an economic slowdown, television broadcasting sector will be relatively less affected and would continue to grow. ZEEL particularly, with its caliber, track record, superior content understanding, and management expertise, is in a better position to ride secular industry growth in India and in international markets. Now, I would like to discuss in detail some of the key financials of the first quarter of FY09 versus FY08 to give clearer picture of our first quarter performance on a like-to-like basis. Advertisement revenues were 2.79 billion for the quarter ended 30th June 2008, an increase of 37% compared to the corresponding fiscal last fiscal. Our advertisement revenues have continued to grow at twice the industry growth rate and this has largely been possible because of the robust performance of substantial number of our channels of the Company. The subscription revenues were 2.15 billion



for the quarter ended June 30th, increase of 28% as compared to the same quarter of last fiscal during the quarter. However, it is about 4% above the fourth quarter of last year and that is because the channels like CNBC, CNN IBN, CNBC Awaaz, etc., moved out of the bouquet. Other sales and services which includes syndication sales, income from education business, playout, and production services, events and commission on advertising and subscription sale, and newly started film business stood at 471 million, an increase of 146% compared to the corresponding period last fiscal. This includes a new stream of revenue of 102 million, one-zero-two million from our film division, Zee Entertainment Studio, which released two films during this quarter. Programming and operating costs have increased by 49%. These include startup cost of Zee Next and Zee Entertainment Studio amounting to 449 million. Excluding the impact of the new initiative on the cost, on a like-to-like basis, operating costs have gone up by about 21%. During the current quarter, personnel costs have gone up by 84% to 690.8 million from 374.9 million over the corresponding quarter last fiscal. This includes a one-time payment of incentives for 294 million to the employees along with their normal increments for the year. If we do on a like-to-like basis, then the personnel cost growth would be about 20% or thereabout. Operating profit, EBITDA for the current quarter stood at 1.44 billion. This on a like-to-like basis is higher by 54% as compared to operating profit of 1.19 billion in the same quarter last fiscal, giving operating margin of 34% in current quarter as against 31% the same quarter last year. Considering the impact of startup losses of Zee Next amounting to 398 million, operating profit is showing 20% growth. During the quarter, interest and other financial losses of 214 million including foreign exchange derivative losses of 112.2 million. During the current quarter, Company provided for 417.1 million towards tax provision at effective tax rate of 29% of the consolidated profits. During the quarter, excess provision of taxes for earlier period amounting to 573.8 million has been written back in the books. This is towards the claim of export profit exemption under section 80 HHC of income tax for the period 1993 to 2000. It had affected the entire film and television industry. Being a highly sensitive matter, Company had taken a cautious approach. The Company has now received expert advice that having won the appeal, Company can take effect of the tax refund received and there is no contingent liability on this account. Now, I come to the business performance. The business performance during the first quarter saw a high amount of comparative activities, new programs, as well as new channel launches including the much talked about IPL. The flagship channel, Zee TV, continued to maintain its primetime share of viewership as compared to its competition which lost more than Zee TV lost during this quarter, and we maintained 19 out of 50 top programs and having a 22% market share. Dulhan has been the top rated show on the channel during this quarter. Sa Re Ga Ma Pa Challenge 2009, the most popular show on television today has been launched recently and has met with great success. Going forward, we are confident to improve our viewership share even further with the higher investment in programming content, particularly in primetime and weekend programs. Zee Next, the newly launched channel captured 1% market share with spending at measured space unlike other newly launched channels in Hindi GEC space during the current quarter. Losses



incurred on account of Zee Next were 397.8 million. The Company has decided to hive off this channel from Zee Entertainment Enterprises Limited effective July 2008. The Hindi cinema channel, Zee Cinema maintains its leadership with number one position at channel share of 33%. In the English entertainment space, Zee Café has improved its channel share to 10% with the wide offering of current season programming. Shows such as Pushing Daisies, Big Bang Theory, Aliens in America, etc., have helped capture the upwardly mobile audiences in India. This quarter saw high volume of sports actions in our channel, Zee Sports and TEN Sports. The prominent sporting event covered including the ICL 20-20 cricket matches, UEFA Champions League, the recently concluded cricket tri-series in South Africa, and Men's Hockey Champions League, and now currently we are running India-Sri Lanka series on TEN Sports. The sports business revenues during the first quarter of FY09 were 650.2 million, recording a growth of 78% over the corresponding quarter last fiscal and the EBITDA for the first quarter of FY08 stood at 75.1 million in comparison to 21.3 million during the corresponding quarter last year. In the second quarter, sports coverage would revolve around the India cricket tour of Sri Lanka as I said, the US Open tennis tournament, Women's Hockey Champions League, and tri-series cricket tournament, West Indies and not to forget India Cricket League starting from 10th October, its third season. We look forward for the rest of the year with optimism and assure that we will continue to deliver more value to the viewers and the stakeholders. Thank you very much and now I would like to open the floor Hitesh, we can start taking the questions.

Moderator: Thank you very much sir. We will now begin the Q&A interactive session. Participants who wish to ask questions, please press *1 or 01 on your telephone keypad. On pressing *1, participants will get a chance to present their questions on a first-in-line basis. Participants are requested to use only handsets while asking a question. To ask a question, please press *1 and 01 now. First question comes from Mr. Abhinesh Roy from Edelweiss Capital. Over to you sir.

Abhinesh Roy: Sir, congratulations on the good set of numbers. I wanted to understand the ad revenues better. Sir, if we see quarter on quarter, our GRPs have come down slightly from around 273 to 226 and the top shows in the top 50 have come down from around 25 to 19, but still advertising revenues have risen quarter on quarter by around 15%. This, in spite of the fact that Q1 is normally a lesser revenue season compared to Q4 and there was IPL, so wanted to understand this growth of 15% Q-o-Q better.

Subhash Chandra: I will ask Punit to answer this.

Abhinesh Roy: Yeah.

Punit Goenka: Yes, good afternoon. What we have seen in Q1, especially on Zee TV, also is Zee Cine Awards which was hosted in April. That has given us substantial growth in advertising revenue.

Abhinesh Roy: How much would be that sir?



- Punit Goenka:** We cannot...we do not give property-wise breakup.
- Abhinesh Roy:** Yeah.
- Punit Goenka:** But that is substantial revenue extra over there. Apart from that, we did have lot of new properties which were launched on Zee TV, for which revenue was contracted. It may not have all proved in terms of ratings, but as we do deals with advertisers on no-guarantee basis, we still manage to keep our revenues up. If you remember a property called Rock-N-Roll Family which was on our television network which did not perform to our expectations. Apart from Zee TV, Zee Cinema has been a leader in its genre, therefore has seen substantial growth in terms of advertising rates there and our English cluster as well has seen growth in terms of viewership which resulted in higher revenue.
- Abhinesh Roy:** So, going forward, you expect the 15% to 20% rate hike which you have taken in Q1, that will be the main driver or you expect the ratings improvement to be the main driver going forward.
- Punit Goenka:** We maintain our earlier statement that we will do better than industry growth, we will stick to that.
- Subhash Chandra:** Yes, we had in the beginning of the year said we will give a 30% top and bottom line growth, we still maintain our same guidance to the markets.
- Abhinesh Roy:** And sir, my second question is on Zee Next. Earlier there was a communication that the losses will be around 50 crores, while the losses have been lesser than that, around 37-38 crores, so what is the reason for that?
- Subhash Chandra:** Well, as you know that we were very cautiously and selectively putting the investment.
- Abhinesh Roy:** Okay. Okay sir, that's all from my side.
- Moderator:** Thank you very much sir. Next question comes from Ms. Keerti from Morgan Securities. Over to you ma'am.
- Mr. Vipul:** Hi, this is Vipul here. I want to check on particularly for subscription growth, what is the guidance that you are having for FY09 full year, subscription revenue growth and secondly where do you think it is coming from, is it just domestic portion or inside domestic, is it coming from more addressable segments or what is the way forward for you for your subscription revenue?
- Hitesh Vakil:** Well, as per the guidance given, we maintain our overall revenue growth of about 30% and in line with that, subscription revenue will also grow. Obvious that the growth will come on DTH sector higher than cable, domestic cable or international.
- Mr. Vipul:** So, in the next two years, what do you think DTH will be contributing to your total top line?



- Subhash Chandra:** We are not going into segmentation, but certainly as I have been maintaining that we will give 30% to 35% growth over the next two-three years on subscription revenues.
- Mr. Vipul:** Thank you.
- Moderator:** Thank you very much sir. Next question comes from Mr. Siddharth Goenka from JM Financial. Over to you sir.
- Siddharth Goenka:** Yeah, good afternoon sir. Congratulations on a good set of numbers. Just one question, what is the accounting policy for writing off film cost?
- Subhash Chandra:** Yeah, film cost writing off is in line with the revenue receipt on the film businesses.
- Siddharth Goenka:** No, but generally an accounting policy followed which is around 75% or 60%, is there any specified accounting policy which we follow?
- Punit Goenka:** Yeah, we follow an accounting policy where the cost, total revenue estimated, revenue realized, in proportion to that, write off of costs are taken.
- Siddharth Goenka:** Right. So, what about this quarter, how much was the write-off policy?
- Hitesh Vakil:** That is precisely what we have given. There is a cost attached to it. Total cost of about 52.3 million, includes the amortization.
- Siddharth Goenka:** Okay, thank you. That's it from my end, thanks.
- Moderator:** Thank you very much sir. Next question comes from Ritesh Joshi from First Global.
- Ritesh Joshi:** Good afternoon sir. Thank you for the good numbers.
- Subhash Chandra:** Thank you.
- Ritesh Joshi:** Sir, I would like to know what is the contribution from Zee Next to the revenues.
- Subhash Chandra:** The revenues are about small revenue of about 60-70 million rupees.
- Ritesh Joshi:** Okay. Sir, like you said like Zee Next will be hived off from July, so like we see a margin expansion going forward then?
- Subhash Chandra:** We have given the details now. When I spoke everything, I have given you every detail my dear that margin expansion in this is already 31% to 34%.
- Ritesh Joshi:** Yeah. Out of top 100 programs, how many programs do we have?
- Subhash Chandra:** Top 100 would be about 40.



- Ritesh Joshi: 40. Like for Zee Entertainment Studios, how many films are we planning to release in FY09?
- Subhash Chandra: FY09 about 8 to 10 films.
- Ritesh Joshi: 8 to 10. Do you have any estimated revenues for Zee Entertainment?
- Subhash Chandra: We are not going into that breakup.
- Ritesh Joshi: Right sir. Thank you.
- Subhash Chandra: Once it gets listed, it will automatically get known to people.
- Ritesh Joshi: Sure, sure.
- Hitesh Vakil: We will be reporting it as a separate segment.
- Ritesh Joshi: Yeah, yeah. Thank you sir. That's all from my side.
- Moderator: Thank you very much sir. Next question comes from Ms. Namrita from Dolat Capital. Over to you ma'am. Namrita, you can go ahead please. As there is no response, we will move on for the next question. Participants who wish to ask questions may kindly press *1 on the telephone keypad. Next question comes from Mr. Amit Kumar from Kotak Securities. Over to you sir.
- Amit Kumar: A very good afternoon to you sir. I just wanted to know what the cash and the debt level in the company at the end of first quarter.
- Hitesh Vakil: Well, cash has been about 1.06 billion and net debt position is 2.91 billion.
- Amit Kumar: Net debt, fine. Sir, on the Taj TV front, earlier there were some, I believe there were some news that you were looking to acquire the whole of that company, any further developments on that side?
- Subhash Chandra: Nahi, abhi kuch nahi hai. (No, nothing as of now)
- Amit Kumar: Okay. And on Zee Next, you know, the demerger or the hive-off that you were talking about, you know, we were also suppose to get, you know, some kind of an indication of what will be the structure and, you know, the details. So, anything on that side as well?
- Subhash Chandra: Yeah, we will do that either tonight or tomorrow morning. You watch our website.
- Amit Kumar: Okay sir. That's it from my side for now, I will come back if I have anything else. Thank you.
- Moderator: Thank you very much sir. Next question comes from Mr. Himanshu Gandhi from Hansberger. Over to you sir.
- Himanshu Gandhi: Hi sir, this is Himanshu here. My question has already been answered. Thank you.



- Subhash Chandra:** Thank you.
- Moderator:** Thank you very much. Next question comes from Mr. Venugopal of Credit Suisse. Over to you sir.
- Venugopal Garre:** Hello, good afternoon. Just wanted to check on the movie business, has there been any plan sort of announced in terms of when you intend to list it...that is my first question.
- Punit Goenka:** That is just planned over about next three to five months' time.
- Venugopal Garre:** And if I understand correctly, you intend to raise around 1000 crores, is that a right amount?
- Subhash Chandra:** Yeah, approximately, yes.
- Venugopal Garre:** Okay. I think this question on accounting was asked, but I somehow couldn't understand, you know, the final procedure, so are you trying to say that, you know, I understand that is in proportion of revenues, but are you finally accounting what 60%, 70% of projected revenues as cost or is there no set formula for that because, you know, normally....sorry, go ahead.
- Punit Goenka:** Two points, first as we have already said, it is revenues and cost as a comparison to the same proportion, I mean whatever proportion is revenue, cost goes in the same proportion. Now, to answer specifically to your point, based on the plate of movies that we have been having, 70% of the revenue from a given movie is recognized in the first year and accordingly the cost goes and we expect the balance 30% revenue, about 5% to 10% would remain as a long-term IPR in the company which can be exploited through broadcasting on channels like Zee Cinema or any channel in terms of syndication. The balance that remains about 20% of the revenue, that has the potential to be exploited through DVDs or any other similar merchandising and other revenues.
- Venugopal Garre:** Okay, very...very clear now. My second question is on international subscription revenues. Looking at the numbers on a quarter-on-quarter basis, if I am not wrong, there is not much of growth. Currency, I think was in your favor this time. So, just wanted to check is there any specific guidance there or what...because that is also a pretty substantial part of your revenues. So, any guidance on that?
- Hitesh Vakil:** Well, last year first quarter, TEN Sports had events where there was a seasonality attached to it. There is also an event coming in the second quarter which will perhaps take care of it.
- Venugopal Garre:** Okay.
- Subhash Chandra:** See, what we are saying is that the revenue from international looks flat in comparison to the last year because there were specifically special events last year but we are still growing at 10% or thereabout, international revenues.



- Venugopal Garre:** For this year?
- Subhash Chandra:** Yes.
- Venugopal Garre:** Okay, okay, sure. Thanks a lot.
- Moderator:** Thank you very much sir. Next question comes from Mr. Nitin Mehta of Macquarie. Over to you sir.
- Nitin Mehta:** Hello sir. I had a question regarding your other sales and services. Quarter over quarter, we saw a little decline despite revenues coming in from Zee Entertainment Studios. Could you just explain it?
- Hitesh Vakil:** Well, as we had mentioned last time in the fourth quarter results that that included three quarters of education business in the fourth quarter and hence sequential if you look at it, education business was higher last year fourth quarter. Otherwise, on a like-to-like basis, it has grown in fact comparable to the first quarter last year to first quarter this year.
- Subhash Chandra:** Are you clear?
- Nitin Mehta:** Yeah, yeah sir. I got the point. And just to clarify you expect the Zee Next structure to be clear by either tonight or tomorrow morning, that's when you plan to put a release on your website regarding the structure.
- Subhash Chandra:** Yes, yes.
- Nitin Mehta:** Okay, thank you sir.
- Moderator:** Thank you very much sir. Next question comes from Mr. Amit from Motilal Oswal. Over to you sir.
- Mr. Amit:** Yeah, thank you for the opportunity. Very good set of numbers. Just one clarification sir, if you look at the advertisement revenue on a Y-o-Y basis, first quarter FY08 also had the Zee cine awards, so I was just trying to understand, still the growth has been quite substantial on that front. Is that to do with when you said Zee Next revenue of around 70 to 80 million, that would be all the advertisement revenue right. So, I wanted to understand this, still there is quite a substantial growth in it.
- Subhash Chandra:** Yeah, that is what Amit we said that we would give 30% growth year on year and we still maintain that and we are doing it.
- Mr. Amit:** And sir, just not on the number side but more on to understand how does this advertisement booking happens, does it happen two-three months prior to the listing because I wanted to understand more on the inventory when it gets sold out and how much percent gets in advance and all that. I know it would be more specific, but slightly on the broader sense what would be the...
- Punit Goenka:** Normally the industry is following three buying cycles starting with the first one is in March itself, then in August-September, and then in



December. These are the span of things. Normally when we are entering a year, we would have committed inventories of about 50% to 60% depending channel to channel.

Mr. Amit: That means financial year you are saying, entering a financial year.

Punit Goenka: Yes. The balance is then paid on spot basis on a month to month or quarter to quarter.

Mr. Amit: Okay, okay. So, that could be explained why even during IPL season, your numbers were pretty robust.

Punit Goenka: Yes.

Mr. Amit: Okay, okay. Thanks a lot sir, thank you.

Moderator: Thanks a lot sir. Next question comes from Mr. Ritesh Joshi from First Global. Over to you sir.

Ritesh Joshi: Sir, just one more question. Like you are selling and other expenses have also grown by 21% year on year. So, any particular reason for that?

Hitesh Vakil: Selling and other expenses, yeah, it is a normal increase and it is in line with the plan that we have and revenues are growing, obvious that will increase on the expenses as well.

Ritesh Joshi: Okay, thank you sir.

Moderator: Thank you very much sir. Next question comes from Mr. Nikhil Vora of IDFC. Over to you sir.

Nikhil Vora: Thanks. If it is possible to just know the percentage of revenues coming from the entertainment itself against the flagship channel.

Subhash Chandra: Nahi bhaiyya. (No)

Nikhil Vora: Okay, okay. Secondly, I guess in the previous question you just answered that, maybe the impact in advertising was not...

Subhash Chandra: But Nikhil, you probably you don't recollect, I say many times that please don't equate Zee Entertainment Enterprises Limited only with Zee TV. Zee TV might be...I mean I have given some hint towards say 30% to 40% revenue, but, I mean, beyond that, we can't got.

Nikhil Vora: No, no, fair point sir. Second one, you just mentioned that maybe the impact of IPL is not as pronounced because maybe the advertising blocking happens the quarter before. Given the increased fragmentation in the business, do you think that we will find it slightly more difficult to increase rack rates or advertising rates as we move forward?

Punit Goenka: Nikhil, we are in the business of selling inventory. Now, currently, you know, on television, there are only about 2,000 odd advertisers present



whereas this country has scope of increasing by ten fold. So, if there are some people who will go out, we will find new people to advertise themselves.....

Nikhil Vora: But in a context where maybe advertising revenue growth is likely to be say around 12% to 13%.

Subhash Chandra: We have been maintaining our guidance of 30% growth for the full year.

Nikhil Vora: Okay. Just lastly on the overall funding of the group, funding of the company for group entities, what is the cost of debt that we normally assume on this?

Subhash Chandra: Which one?

Nikhil Vora: The funding for Dish TV or WWIL.

Subhash Chandra: They have been funded separately, nothing to do with ZEEL.

Nikhil Vora: In the annual report. ZEEL has funded Dish TV and WWIL, so what is the cost of funding for that?

Hitesh Vakil: Sorry, we are not able to relate with your questions.

Nikhil Vora: Total outstanding loans and advances to related parties which includes Dish TV and WWIL is close to around 400 crores last year.

Hitesh Vakil: As on today, there is no outstanding from WWIL and Dish TV.

Nikhil Vora: Okay.

Hitesh Vakil: I don't have the details for referring to right now.

Punit Goenka: You mentioned some report, can you tell us which report?

Nikhil Vora: It is in the annual report, Zee Channel reports.

Hitesh Vakil: Sorry, right now we don't have that information available. We can answer the question separately.

Nikhil Vora: Okay, fine, that's okay. Thanks for this.

Moderator: Thank you very much sir. Next question comes from Mr. Bijal Shah of IIFL. Over to you sir.

Bijal Shah: Yeah, thanks for the call. I just wanted to know one thing, see overall Zee's bouquet rate is 45 rupees for Zee and Zee News channel. So, how much of that accrues to Zee after split with Zee Next, I mean, sorry, Zee News and share of turner is taken off, so...

Hitesh Vakil: Roughly around 50% comes to ZEEL, around 15% to 20% goes to ZNL.

Bijal Shah: Okay. And remaining 30% goes to Zee Turner?



Hitesh Vakil: Turner and other third-party channels.

Bijal Shah: Okay. So, ours would be somewhere around 23 rupees.

Hitesh Vakil: Yeah.

Bijal Shah: Okay, thanks.

Moderator: Thank you very much sir. Next question comes from Mr. Sameer from Lehman Brothers. Over to you sir.

Male Speaker: Yeah. Sir, just wanted to check on the Forex losses, will they continue into subsequent quarters also, given that rupee movement has turned or have we booked that loss. I mean there is some 40 crores that will come throughout the year in each quarter thing like that, so will that come even now given to that extent or I mean would that change?

Hitesh Vakil: We have capped the losses at 10 million dollar and accordingly each quarter will see about 2.5 million dollar worth losses.

Male Speaker: Right, right, right. So, there is no way that that loss can be handled.

Hitesh Vakil: And this gets closed on March 09.

Male Speaker: Okay, got it sir. Sir, in terms of your DTH revenues, how many DTH subscribers are paying at this point of time for you?

Subhash Chandra: This question would be better answered at the Dish TV investor conference, which in fact is around the corner.

Male Speaker: Okay. And lastly sir, you said that on a like to like basis, your staff cost has gone up by 20%. By this, you mean, this is wage hike or this includes both wage hike plus manpower addition.

Subhash Chandra: It is both.

Male Speaker: Including the two?

Subhash Chandra: Yeah.

Male Speaker: Okay fine, thanks a lot sir.

Moderator: Thank you very much sir. Next question comes from Mr. Sharath from Edelweiss. Over to you sir.

Mr. Sharath: Good afternoon sir. Just wanted to ask you one question, I think it was raised earlier by somebody, more than 25% of Zee's balance sheet has been blocked up loans and advances, so I just wanted to know what is the return we are earning on those loans and advances, if we are earning any returns?

Hitesh Vakil: These loans and advances are part of our treasury operations.

Mr. Sharath: Okay.



- Hitesh Vakil:** It will be anything from...ranging from 9% to 12% or at times 13.5%.
- Mr. Sharath:** And sir, the employee cost in this quarter was around 12.7% of revenues, so what I had in mind is, I mean, is the exit of CEO have any bearing on employee cost going up so significantly and are we expected to see such hikes coming on in further quarters and further subsequent first quarters of coming years also?
- Subhash Chandra:** See, we have different industry benchmark, but for our kind of business, the employee cost should be around 8% to 9%, and we have to bring the cost to that level.
- Mr. Sharath:** Right sir. So, for the whole year, you are saying that it would be around 8% to 9% only.
- Subhash Chandra:** I think yes.
- Punit Goenka:** The 12% is also due to the fact of the one-time incentive which has been paid in this quarter.
- Mr. Sharath:** Okay.
- Punit Goenka:** This will not be there in the next three quarters.
- Mr. Sharath:** Okay. So, it would be averaged out and we would see around 8% to 9% employee cost in FY09?
- Punit Goenka:** Yes, you should expect that.
- Mr. Sharath:** Okay, thank you so much.
- Moderator:** Thank you very much sir. At this moment, there are no further questions from the participants. I would like to hand over the floor back to Mr. Hitesh Vakil for final remarks.
- Hitesh Vakil:** Thank you all for joining us. We hope to have a transcript on the call very soon on our website www.zeetelevision.com. We will look forward to speaking to you again at the end of second quarter of 2009 or even earlier on a one-on-one basis. Thank you and have a great day.
- Moderator:** Thank you very much sir. Ladies and gentlemen, thank you for choosing WebEx Conferencing Service. That concludes this conference call. Thank you for your participation. You may now disconnect your lines. Thank you and have a nice day.

Note:

*Blanks due to poor voice quality.
All revenue figures in INR until otherwise mentioned
1 Billion= 100 Crores
1 Million= 10 Lacs
1 Cr= 100 Lacs*