

Ziff Davis has filed for bankruptcy protection...
let's see how CreditRiskMonitor tracked this trend!

Ziff Davis Holdings Inc.

28 East 28th Street
Phone: (212) 503-3500 New York, NY 10016 United States

Filed for Bankruptcy on 3/5/2008
This company ceased filing statements with the SEC on 11/14/2007
Case #08-10771, filed in the U.S. Bankruptcy Court for the Southern District of New York

Latest Financial Statements as of 6/30/2007

Business Summary

Ziff Davis Holdings Inc. (Ziff Davis) is an integrated media company serving the technology and videogame markets. The Company manages its business via two segments: Consumer/Small Business Group and Game Group. The Company reaches over 26 million people a month through its portfolio of 15 Websites, three magazines and direct marketing services. The Company licenses its brands internationally in 45 countries and 13 languages. It has offices and testing labs in San Francisco. In August 2007, Ziff Davis sold its Enterprise Group.

Employees: 470 (as of 12/31/2006)

Federal Tax Id: 364355050

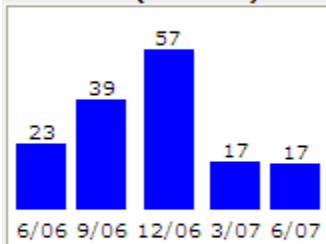
Credit Scores

FRISK2 Score **1** 3/5/2008
Probability of default range: 21.0% - 50.0%

Auditor Information

Last Audit: 12/31/2006
Auditors: Grant Thornton LLP
Opinion: **Unqualified**

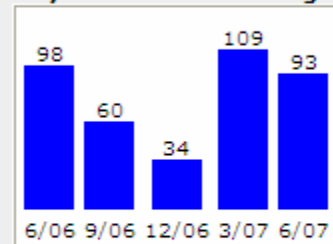
Net Sales (millions)



Working Capital (millions)



Days Sales Outstanding



Second Quarter and Year-to-Date Results

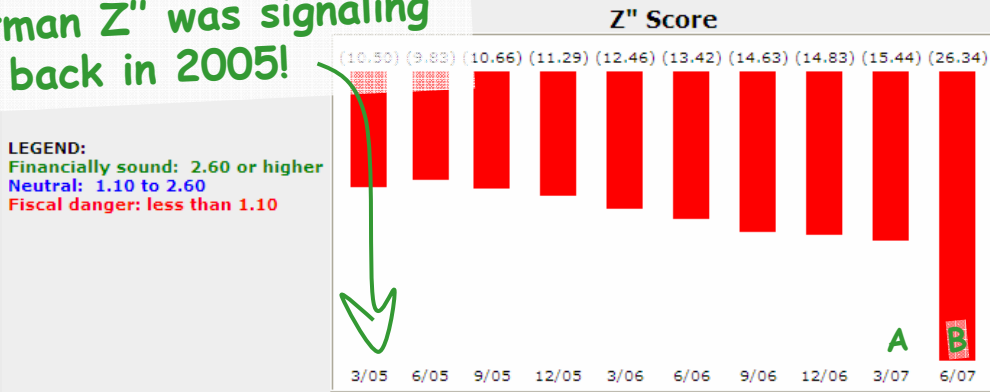
Sales for the 3 months ended 6/30/2007 decreased 28.64% to \$16.54 million from last year's comparable period amount of \$23.18 million. Sales for the 6 months ended 6/30/2007 decreased 28.66% to \$33.29 million from \$46.67 million for the same period last year.

Gross profit margin decreased 22.88% for the period to \$11.57 million (69.92% of revenues) from \$15.00 million (64.70% of revenues) for the same period last year. Gross profit margin decreased 22.11% for the

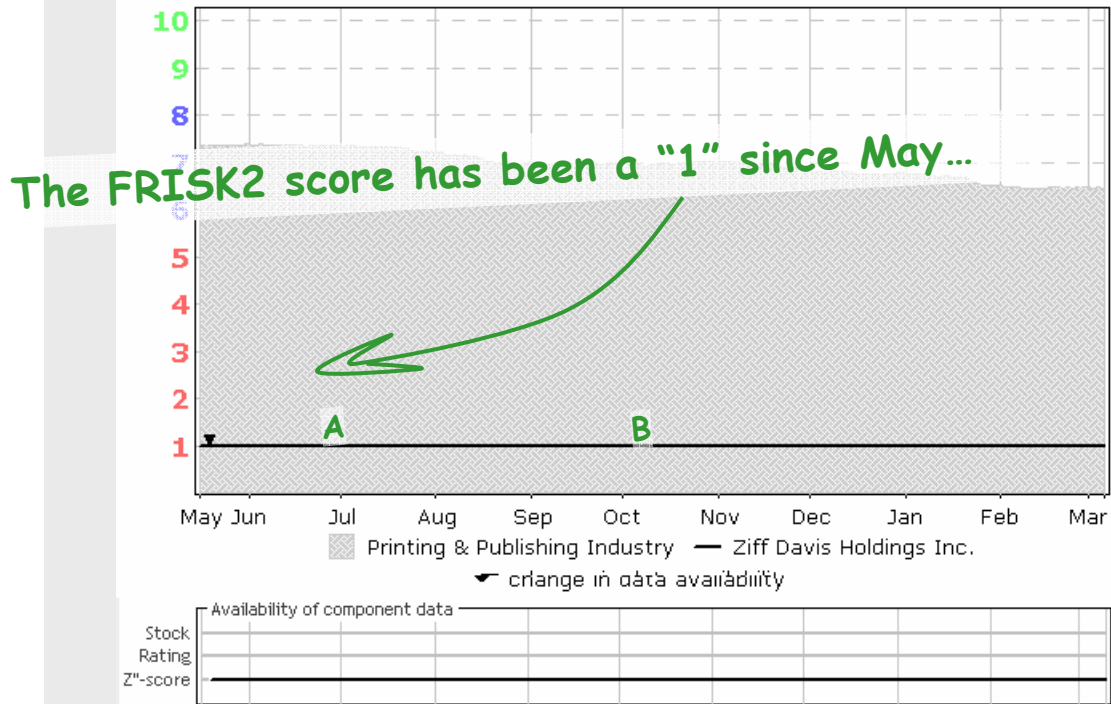
CreditRiskMonitor

(845) 230-3021
info@crmz.com

The Altman Z" was signaling trouble back in 2005!



The current FRISK2 score is 1 (probability of default* 21.0% - 50.0%), near its 10-month average but below its industry average.



FRISK2 Score - A score indicating the probability of default for a company over a 12 month horizon, based on new daily information in the CRMZ database, as calculated by a proprietary statistical model created by Dr. Camilo Gomez, and back-tested on 10,000 companies. (see [Financial Risk \(FRISK2\) Score](#)). Historical FRISK2 scores shown above may have been updated, based on new information or improvements to the model, more recently. The FRISK2 score is reported on a 1 to 10 scale:

	FRISK2	Probability of default within 12 months	
		From	To
Best	10	0%	0.3%
	9	0.3%	0.4%
	8	0.4%	0.9%
	7	0.9%	1.9%
	6	1.9%	3.7%
	5	3.7%	7.4%
	4	7.4%	10.1%
	3	10.1%	14.1%
	2	14.1%	21.0%
Worst	1	21.0%	50.0%

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... plus, look at the news alerts you would have seen...

Bankrupt... were you part of the pre-negotiation?

Stops SEC filings...

Management reshuffle...

Two directors resign...

Late filing...

"Going concern" opinion

Sale of Suby. and new CEO

\$20MM Sr. Secured Notes

#	Date	Source	Headline
1	3/5/2008	Business Wire	Ziff Davis Media Reaches Agreement to Restructure Senior Secured Debt
2	1/14/2008	PR Newswire	New Ziff Davis Enterprise CEO Steve Weitzner Announces Management Restructuring
3	11/14/2007	CRM News Service	ZIFF DAVIS MEDIA INC: a Form 15-15D has been Filed with the SEC
4	9/19/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC FILES (8-K) Disclosing Change in Director or Principal Officers
5	8/29/2007	CRM News Service	Ziff Davis Holdings Inc. -- updated financials available
6	8/29/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC: a Form 10-Q/A has been Filed with the SEC
7	8/21/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits
8	8/21/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC: a Form 10-Q has been Filed with the SEC
9	8/15/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC FILES (8-K) Disclosing Other Events
10	8/15/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC Files Notification of Late Filing for its Form 10-Q with the Securities and Exchange Commission.
11	8/8/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC: a Form 8-K/A has been Filed with the SEC
12	8/6/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC FILES (8-K) Disclosing Completion of Acquisition or Disposition of Assets
13	6/21/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Financial Statements and Exhibits
14	5/19/2007	CRM News Service	Ziff Davis Holdings Inc. -- updated financials available
15	5/15/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC: a Form 10-Q has been Filed with the SEC
16	5/14/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC FILES (8-K) Disclosing Results of Operations and Financial Condition
17	4/3/2007	CRM News Service	Ziff Davis Holdings Inc. Receives Going Concern Opinion
18	4/2/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC: a Form 10-K has been Filed with the SEC
19	3/30/2007	CRM News Service	Ziff Davis Holdings Inc. -- updated financials available
20	3/22/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC FILES (8-K) Disclosing Results of Operations and Financial Condition
21	2/22/2007	CRM News Service	ZIFF DAVIS HOLDINGS INC FILES (8-K) Disclosing Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant
22	11/14/2006	CRM News Service	ZIFF DAVIS HOLDINGS INC: a Form 10-Q has been Filed with the SEC
23	11/3/2006	CRM News Service	Ziff Davis Holdings Inc. -- updated financials available
24	11/2/2006	CRM News Service	ZIFF DAVIS HOLDINGS INC FILES (8-K) Disclosing Results of Operations and Financial Condition
25	8/11/2006	CRM News Service	ZIFF DAVIS HOLDINGS INC: a Form 10-Q has been Filed with the SEC
26	8/5/2006	CRM News Service	Ziff Davis Holdings Inc. -- updated financials available
27	7/31/2006	CRM News Service	ZIFF DAVIS HOLDINGS INC FILES (8-K) Disclosing Results of Operations and Financial Condition
28	6/21/2006	CRM News Service	ZIFF DAVIS HOLDINGS INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement

Posts 14th consecutive quarterly loss... the company's largest loss in this series

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... need more depth? Look at the Performance Ratios...
declining Net sales, continued and expanding losses

Performance Ratios - Year-over-Year					
(Thousands of U.S. Dollars)					
Period Ended	3 mos 6/30/2007	3 mos 6/30/2006	3 mos 6/30/2005	3 mos 6/30/2004	3 mos 6/30/2003
Net sales \$	\$16,541	\$23,180	\$45,347	\$51,328	\$47,116
% change	-28.64%	-48.88%	-11.65%	8.94%	n/a
Gross margin \$	\$11,565	\$14,997	\$32,636	\$36,905	\$32,785
% change	-22.88%	-54.05%	-11.57%	12.57%	n/a
% of sales	69.92%	64.70%	71.97%	71.90%	69.58%
change as % of incremental sales	n/m	n/m	n/m	97.82%	n/m
SG&A \$	\$12,396	\$13,788	\$29,517	\$28,756	\$23,766
% change	-10.10%	-53.29%	2.65%	21.00%	n/a
% of sales	74.94%	59.48%	65.09%	56.02%	50.44%
change as % of incremental sales	n/m	n/m	n/m	118.47%	n/m
Operating margin \$	(\$6,897)	(\$5,066)	(\$2,197)	\$2,350	\$2,610
% change	-36.14%	-130.59%	-193.49%	-9.96%	n/a
% of sales	-41.70%	-21.86%	-4.84%	4.58%	5.54%
change as % of incremental sales	n/m	n/m	n/m	-6.17%	n/m
EBITDA \$	(\$3,200)	(\$5,665)	\$3,119	\$8,149	\$10,520
% change	43.51%	-281.63%	-61.73%	-22.54%	n/a
% of sales	-19.35%	-24.44%	6.88%	15.88%	22.33%
change as % of incremental sales	n/m	n/m	n/m	-56.29%	n/m
Pre-tax income \$	(\$42,813)	(\$36,169)	(\$29,452)	(\$20,318)	(\$2,236)
% change	-18.37%	-22.81%	-44.96%	-808.68%	n/a
% of sales	-258.83%	-156.04%	-64.95%	-39.58%	-4.75%
change as % of incremental sales	n/m	n/m	n/m	-429.30%	n/m
Net income (loss) \$	(\$39,329)	(\$32,989)	(\$29,508)	(\$20,394)	(\$2,342)
% change	-19.22%	-11.80%	-44.69%	-770.79%	n/a
% of sales	-237.77%	-142.32%	-65.07%	-39.73%	-4.97%
change as % of incremental sales	n/m	n/m	n/m	-428.58%	n/m
Tax expense \$	(\$221)	\$29	\$56	\$76	\$106
Effective tax rate	0.52%	-0.08%	-0.19%	-0.37%	-4.74%
Depreciation expense \$	\$1,676	\$1,669	\$1,361	\$1,992	\$3,699
% of sales	10.13%	7.20%	3.00%	3.88%	7.85%
% of capital expenses	117.45%	69.83%	93.41%	103.91%	324.47%
% of PP&E, net (annualized)	52.59%	41.32%	36.97%	54.14%	n/a
Capital expenditures \$	\$1,427	\$2,390	\$1,457	\$1,917	\$1,140
% change	-40.29%	64.04%	-24.00%	68.16%	n/a